

The Metropolitan Water District of Southern California

Agenda

The mission of the Metropolitan Water District of Southern California is to provide its service area with adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way.

Board of Directors

October 8, 2024

1:00 PM

Tuesday, October 8, 2024 Meeting Schedule
08:30 a.m. EOP 10:30 a.m. FAM 12:30 p.m. Break 01:00 p.m. BOD

Agendas, live streaming, meeting schedules, and other board materials are available here: <https://mwdh2o.legistar.com/Calendar.aspx>. Written public comments received by 5:00 p.m. the business days before the meeting is scheduled will be posted under the Submitted Items and Responses tab available here: <https://mwdh2o.legistar.com/Legislation.aspx>.

If you have technical difficulties with the live streaming page, a listen-only phone line is available at 1-877-853-5257; enter meeting ID: 891 1613 4145.

Members of the public may present their comments to the Board on matters within their jurisdiction as listed on the agenda via in-person or teleconference. To participate via teleconference 1-833-548-0276 and enter meeting ID: 815 2066 4276 or to join by computer [click here](#).

MWD Headquarters Building • 700 N. Alameda Street • Los Angeles, CA 90012

1. **Call to Order**
 - a. Invocation: Secretary of the Board Lois Fong-Sakai, San Diego County Water Authority
 - b. Pledge of Allegiance: Vice Chair of the Board Nancy Sutley, City of Los Angeles
2. **Roll Call**
3. **Determination of a Quorum**
4. **Opportunity for members of the public to address the Board on matters within the Board's jurisdiction. (As required by Gov. Code §54954.3(a))**
5. **OTHER MATTERS AND REPORTS**

- A. Report on Directors' Events Attended at Metropolitan's Expense [21-3839](#)
Attachments: [10082024 BOD 5A Report](#)
- B. Chair's Monthly Activity Report [21-3842](#)
Attachments: [10082024 BOD 5B Report](#)
[10082024 BOD MWDOC Presentation](#)
- C. Interim General Manager's summary of activities [21-3840](#)
Attachments: [10082024 BOD 5C Report](#)
- D. General Counsel's summary of activities [21-3841](#)
Attachments: [10082024 BOD 5D Report](#)
- E. General Auditor's summary of activities [21-3843](#)
Attachments: [10082024 BOD 5E Report](#)
- F. Ethics Officer's summary of activities [21-3844](#)
Attachments: [10042024 BOD 5F Report](#)
- G. Report from Executive Committee on nominations for Board Chair [21-3897](#)

**** CONSENT CALENDAR ITEMS -- ACTION ****

6. CONSENT CALENDAR OTHER ITEMS - ACTION

- A. Approval of the Minutes of the Special Joint Meeting of the Executive Committee and Board of Directors for August 27, 2024 and the Board of Directors Meeting for September 10, 2024 (Copies have been submitted to each Director, any additions, corrections, or omissions) [21-3845](#)
Attachments: [10082024 BOD 6A1 \(08272024\) Minutes](#)
[10082024 BOD 6A2 \(09102024\) Minutes](#)
- B. Approve Committee Assignments [21-3846](#)
- C. Nomination and Election for Board Chair for two-year term effective January 1, 2025 [21-3898](#)

7. CONSENT CALENDAR ITEMS - ACTION

- 7-1** Award a \$589,957 procurement contract to Vogt Valves for one sleeve valve to be installed at the Red Mountain Pressure Control Structure in the Skinner service area; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (EOT) **[21-3859](#)**
- Attachments:** [10082024 EOT 7-1 B-L](#)
[10072024 EOT 7-1 Presentation](#)
- 7-2** Award a \$1,833,650 construction contract to Power Engineering Construction Company for San Diego Canal Concrete Liner Rehabilitation; the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEQA (EOT) **[21-3860](#)**
- Attachments:** [10082024 EOT 7-2 B-L](#)
[10072024 EOT 7-2 Presentation](#)
- 7-3** Award a \$448,000 contract to Heed Engineering to provide construction materials to support the construction of the helicopter hydrant facility at the Robert B. Diemer Water Treatment Plant; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (EOT) **[21-3862](#)**
- Attachments:** [10082024 EOT 7-3 B-L](#)
[10072024 EOT 7-3 Presentation](#)
- 7-4** Authorize the General manager to enter into Reverse Cyclic Program agreements with participating agencies to defer deliveries of purchased supplies under various water supply conditions; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (OWS) **[21-3864](#)**
- Attachments:** [10082024 OWS 7-4 B-L](#)
[10072024 OWS 7-4 Presentation](#)

- 7-5** Authorize resolutions to support two applications selected to receive United States Department of the Interior, Bureau of Reclamation WaterSMART: Water and Energy Efficiency Grant Program funding for Fiscal Year 2024 totaling \$2 million; and authorize the General Manager to accept this funding and enter contracts with the United States Department of the Interior, Bureau of Reclamation; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (OWS) **[21-3865](#)**
- Attachments:** [10082024 OWS 7-5 B-L](#)
[10072024 OWS 7-5 Presentation](#)
- 7-6** Review and consider the Lead Agency's certified 2022 Final Environmental Impact Report for the Chino Basin Program and take related CEQA actions, and authorize the General Manager to enter into an exchange agreement with Inland Empire Utilities Agency to assist in the implementation of the program (OWS) **[21-3866](#)**
- Attachments:** [10082024 OWS 7-6 B-L](#)
[10072024 OWS 7-6 Presentation](#)
- 7-7** Authorize the General Manager to enter into agreements with Western Canal Water District and Richvale Irrigation District for water transfer options and first rights of refusal during 2025 through 2027; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (OWS) **[21-3873](#)**
- Attachments:** [10082024 OWS 7-7 B-L](#)
[10072024 OWS 7-7 Presentation](#)
- 7-8** Authorize the Ethics Officer to designate which Metropolitan officials are required to take AB 1234 state ethics training; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. [DEFERRED 10/1/2024] (EOP) **[21-3867](#)**
- 7-9** Adopt resolution authorizing the reimbursement of capital expenditures from bond proceeds for fiscal years 2024/25 and 2025/26; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (FAM) **[21-3868](#)**
- Attachments:** [10082024 FAM 7-9 B-L](#)
[10082024 FAM 7-9 Presentation](#)

**** END OF CONSENT CALENDAR ITEMS ******8. OTHER BOARD ITEMS - ACTION**

8-1 Recommend project funding in an amount not to exceed \$35 million over the next two years (Fiscal Years 2024/2025 and 2025/2026), to support the zero-emission vehicle transition at Metropolitan and partially mitigate high operational risk. Subject to Finance & Asset Management Committee approval and authorization of specific terms of debt issuance; the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEQA. [REVISED SUBJECT 9/30/2024] [ITEM DEFERRED 10/4/2024] (EOT) [21-3863](#)

8-2 Authorize on-call agreements with Black & Veatch Corporation, Burns & McDonnell Western Enterprises Inc., HDR Inc., and Stantec Consulting Services Inc., in amounts not to exceed \$3 million each, for a maximum of three years, for engineering services to support zero-emission vehicle infrastructure upgrades at Metropolitan facilities; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (EOT) [21-3861](#)

Attachments: [10082024 EOT 8-2 B-L](#)
[10072024 EOT 8-2 Presentation](#)

8-3 Authorize the General Manager to acquire a 0.33-acre property located in Los Angeles County in the city of La Verne from Charles J. Arballo and Margaret R. Arballo, as Trustees of The Arballo Family Trust, dated December 9, 1991, as amended, for a purchase price to be discussed confidentially with the Board of Directors; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [Conference with real property negotiator; property identified as Los Angeles County Assessor's Parcel No. 8381 005-002; agency negotiator: Seyou Oh; negotiating parties: Patrick Arballo and Mark Arballo; under negotiation: price and terms; to be heard in closed session pursuant to Gov. Code Section 54956.8].[UPDATED SUBJECT 10/2/2024] (FAM) [21-3869](#)

Attachments: [10082024 FAM 8-3 Presentation-Open Session](#)

- 8-4** Approve the nomination and naming of the Joseph Jensen Water Treatment Plant Ozone Facility in honor of former Metropolitan Director Ina S. Roth; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (FNA) [21-3890](#)

Attachments: [10082024 BOD 8-4 B-L](#)

- 8-5** Approve the nomination and naming of Metropolitan's Water Quality Laboratory in honor of former Metropolitan Water Quality Manager and Director of Water Quality, Dr. Michael J. McGuire; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (FNA) [21-3899](#)

Attachments: [10082024 BOD 8-5 B-L](#)

9. BOARD INFORMATION ITEMS

- 9-1** Report on Conservation Program [21-3871](#)

Attachments: [10082024 BOD 9-1 Report](#)

- 9-2** Compliance with Fund Requirements and Bond Indenture Provisions (FAM) [21-3870](#)

Attachments: [10082024 FAM 9-2 B-L](#)

10. OTHER MATTERS

NONE

11. FOLLOW-UP ITEMS

NONE

12. FUTURE AGENDA ITEMS

13. ADJOURNMENT

NOTE: Each agenda item with a committee designation will be considered and a recommendation may be made by one or more committees prior to consideration and final action by the full Board of Directors. The committee designation appears in parenthesis at the end of the description of the agenda item, e.g. (EOT). Board agendas may be obtained on Metropolitan's Web site <https://mwdh2o.legistar.com/Calendar.aspx>

Writings relating to open session agenda items distributed to Directors less than 72 hours prior to a regular meeting are available for public inspection at Metropolitan's Headquarters Building and on Metropolitan's Web site <https://mwdh2o.legistar.com/Calendar.aspx>.

Requests for a disability-related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Board Executive Secretary in advance of the meeting to ensure availability of the requested service or accommodation.

October 8, 2024 Board Meeting

Item 5A



Metropolitan Water District of Southern California Summary of Events

Attended by Directors at Metropolitan's Expense in September 2024

Date(s)	Location	Meeting Hosted by:	Participating Director(s)
Sept. 8-9	Santa Fe, NM	CLE International Tribal Water Law Conference	Gloria Cordero
Sept. 9-12	Indian Wells, CA	CSDA 2024 Annual Conference	Larry Dick
Sept. 21-25	New York, NY	Climate Week NYC 2024	Miguel Luna
Sept. 25-27	Santa Fe, NM	Colorado River Symposium	Gloria Cordero Adán Ortega, Jr.



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Board Report

● Chair of the Board Adán Ortega Jr.'s Monthly Activity Report – September 2024

Summary

This report highlights my activities as Chair of the Board during the month of September 2024 on matters relating to The Metropolitan Water District of Southern California's business.

Monthly Activities

Key Activities

- Joined the City of San Fernando leaders to celebrate the nitrate removal project, allowing the city to return to using local groundwater supplies. Metropolitan and the city worked side by side to deliver reliable alternative water supply during construction. With the impacts of climate change, Metropolitan is empowering member agencies to develop their own local supplies and enhance their water capacity and resiliency. In attendance were Senator Menjivar, Councilmember Victoria Garcia, Councilmember Mary Solorio, Mayor Celeste Rodriguez, Vice Mayor Mary Mendoza, and City Manager Nick Kimball.



- The City of Arcadia's Mayor Dr. Michael Cao and his colleagues at the League of California Cities from Los Angeles County, visited the Metropolitan Water District of Southern California to discuss cooperation in addressing climate change. Directors Michael Camacho and Juan Garza joined me in meeting with local leaders such as City of Lomita Councilmember Barry Waite, and City of San Fernando Vice Mayor Mary Mendoza to explore collaboration opportunities. A special thanks to the City of San Fernando Vice Mayor Mary Mendoza for sharing our city's experience with nitrate contamination and treatment solutions.



- Interim General Manager Deven Upadhyay and I continue to conduct Metropolitan site meetings to meet with the employees, provide district updates, and listen to and address their concerns. This month we traveled to Soto Street, where we met with employees from Soto Street and Eagle Rock. We participated in a robust question-and-answer session addressing various topics, including Metropolitan's local and regional planning investments, workforce initiatives, and CAMP4W. We emphasized our commitment to upholding high service standards and transparency. I communicated the Board's strong unity in recent tough decisions and our united concern for their well-being. I was encouraged by the focus the workforce is demonstrating on our mission of providing safe and reliable drinking water to the community. Interim General Manager Deven Upadhyay's comments and answers to questions were received with candor, appreciation, good humor, and with sincere thanks.



- I had the honor of paying tribute to the incomparable Congresswoman Grace Napolitano, my "madrina" at her retirement. She worked tirelessly to ensure plenty and safe drinking water for SoCal and the nation, guiding many, including myself, towards our life's mission. In noting that we named Metropolitan's Pure Water Innovation Center after the Congresswoman, I said that her legacy is more like the creation of an endless river — a river that requires our ingenuity, dedication, and stewardship to keep flowing.



- Attended the Colorado River Symposium, in Santa Fe, New Mexico with Director Gloria Cordero and Interim General Manager Deven Upadhyay where we met with various Western tribal and water officials, including the United States Bureau of Reclamation Commissioner Camille Touton. Interim General Manager Deven Upadhyay spoke compellingly and succinctly about the Metropolitan Water District of Southern California's climate adaptation projects, priorities, & partnerships in the quest for broad collaboration to save the Colorado River.



Speaking Engagements/Events

- I provided opening remarks at The CAMP4W Public Forum which was part of our ongoing efforts to engage the community and maximize the benefits of our Climate Adaptation Master Plan for Water. The forum attracted over 150 participants from the business, environmental and environmental justice communities. We aimed to describe the planning process while gathering valuable feedback. I was inspired by the diverse voices present and our shared commitment of including vulnerable communities in sustainable water management. Metropolitan's board had committed to Equity as a key guiding principle of our CAMP4W process, alongside Reliability, Resilience, Affordability, and Financial Sustainability.
- Participated in Metropolitan Community Leader's Briefing panel discussion, in partnership with Calleguas Municipal Water District featuring Assemblymember Steve Bennett in Ventura County. The event was moderated by Calleguas General Manager Kristine McCaffrey, and emceed by Director Jacque McMillan, while I opened with introductory remarks. In attendance were Board President Scott Quady, General Manager McCaffrey, Director McMillan, Assemblymember Bennett, and Ventura County CEO Dr. Sevet Johnson.

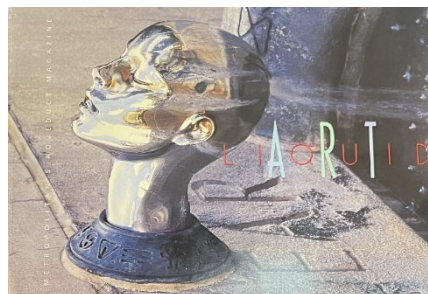


- I was honored to deliver opening remarks for the Hispanic Employees Association to kick off Hispanic Heritage Month. I highlighted the context of our cultural heritage and professional contributions to the future of infrastructure in the region. I also encouraged everyone to engage in the month's activities, learn from one another, and honor the legacy of those who came before us.



Interviews & Correspondence

- I was interviewed by a reporter from Civic Publications about Pure Water Southern California and the federal grant awarded to the project, thanks in part to Senator Padilla's support. I discussed the project's progress and the significant effort required to ensure a consistent, reliable supply of clean water without relying on imports. The article will be featured in their upcoming special section on water in the LA Times and other publications.
- The Museum of Latin American Art (MOLAA) requested to record a video of me showcasing how we developed a program twenty years ago called Liquid Art that showcased our generational shared quest for water through public art. MOLAA staff identified several public art locations and chose Metropolitan as the ideal backdrop, specifically in front of the mural by Eloy Torrez depicting our history in the employee dining area. Renowned architectural photographer Tom Bonner, who contributed to the Liquid Art program, was also interviewed to share his insights. Tom and his apprentices captured selected artworks displayed in galleries from East LA to San Francisco between 2002 and 2004.

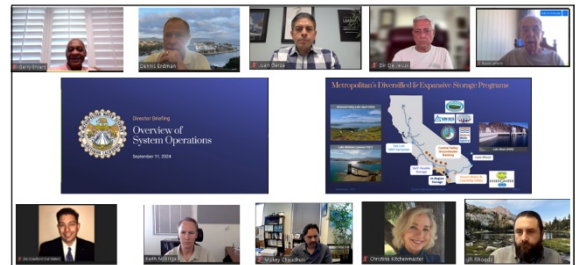


Issues and Operations Briefings for Directors

- Continued our series of Briefings for Directors with sessions focused on Metropolitan's Climate Change planning, and Overview of Metropolitan's System Operations. Such briefings have in the past focused on new directors. The new series of briefings is welcoming to new directors but is a hit with long-standing directors who have used them as "refresher courses." The briefing on Climate Change Mitigation and Adaptation was held on September 4, and the Overview of System Operations was held on September 11, 2024. Participating Directors noted that the sessions were very valuable and provided a unique learning opportunity focused on foundational information to better understand Metropolitan's diverse challenges and programs. The initial sessions include:

- Treatment and Distribution System
- Water Supplies
- Financials
- Climate Change Mitigation and Adaptation
- External Affairs/Outreach
- Workforce
- Emergency Management

Staff is taking input on refining and expanding the sessions offered and will continue scheduling sessions based on the interest of the Directors.



Special Activities

Staff surprised me with a special cake for my 62nd birthday. I'm incredibly thankful for their thoughtfulness and generosity. They made the day memorable, and I am grateful to work with such a supportive team.

Regularly Scheduled/Ongoing Meetings

I continue to meet regularly to review the Board's organizational issues and coordinate activities with the Board Vice Chairs and Department Heads.





Metropolitan Water District Update

Harvey De La Torre, General Manager

10.8.2024

What We Do At MWD OC



Reliability & Shortage
Planning

Water Use Efficiency &
Water Loss



Import Water as a
Metropolitan Member
Agency

Water Emergency
Response Organization
of Orange County
WEROC

Government Affairs,
Education,
and Outreach

Who Governs Us

MWDOC Board of Directors



Al Nederhood



Robert R. McVicker, P.E.



Larry D. Dick



Karl W. Seckel, P.E.



Randall Crane, Ph.D.



Jeffery M. Thomas



Megan Yoo Schneider, P.E.

MWDOC Metropolitan Directors



Larry D. Dick



Karl W. Seckel, P.E.



Linda Ackerman



Dennis Erdman, P.E.



Who We Supply

MWDOC serves 2.34 million OC residents

- 2045 Population Projection (2.53 million)
- Annual Growth Rate 0.58%

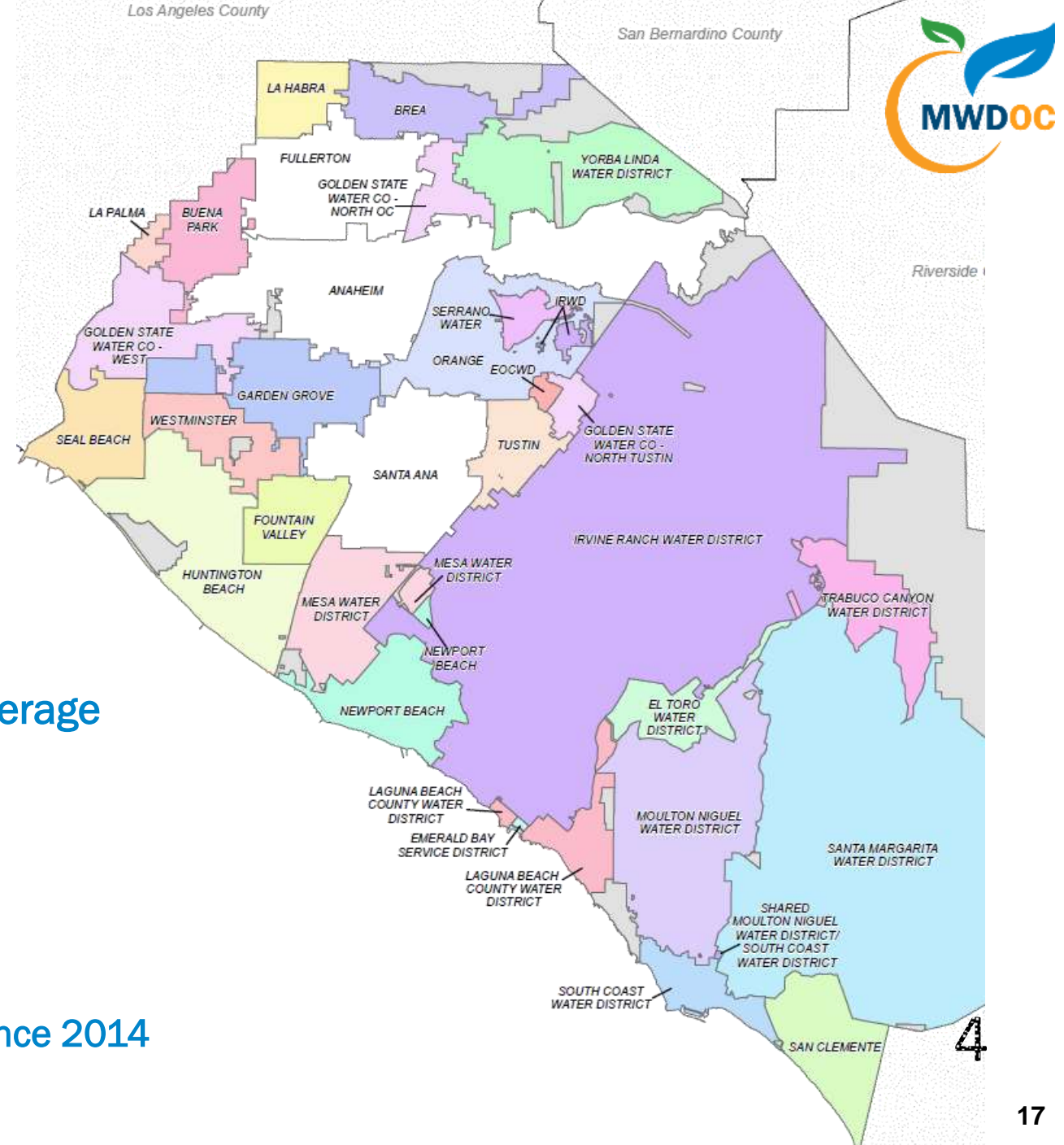
MWDOC's 27 Local Agencies

- 13 Water Districts
- 13 Cities
- 1 Groundwater basin manager

A diverse portfolio of water supplies – Five Year Average

32% Metropolitan Water	128,000 af
33% Native Groundwater	132,000 af
22% IPR Water	85,000 af
11% Recycled Water	44,000 af
2% Native Surface Water	8,500 af

Average Annual Demands of 400 Thousand Acre-Feet since 2014



Rebates



28.2 million
sq. ft. of turf



583,000
sprinkler heads



62,000
Toilets



1,130
Gardens
redesigned

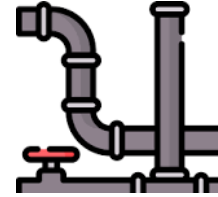


285
Flow monitoring
devices installed



130,000
Washing
machines
replaced

Programs



5,100
Miles of



2,434
Leaks



\$609,935
Revenue



\$124 Million
Water Use
Efficiency Grant
Funding



\$180 million
Metropolitan
LRP Funding





\$232 million
Outside Grants
& Loans

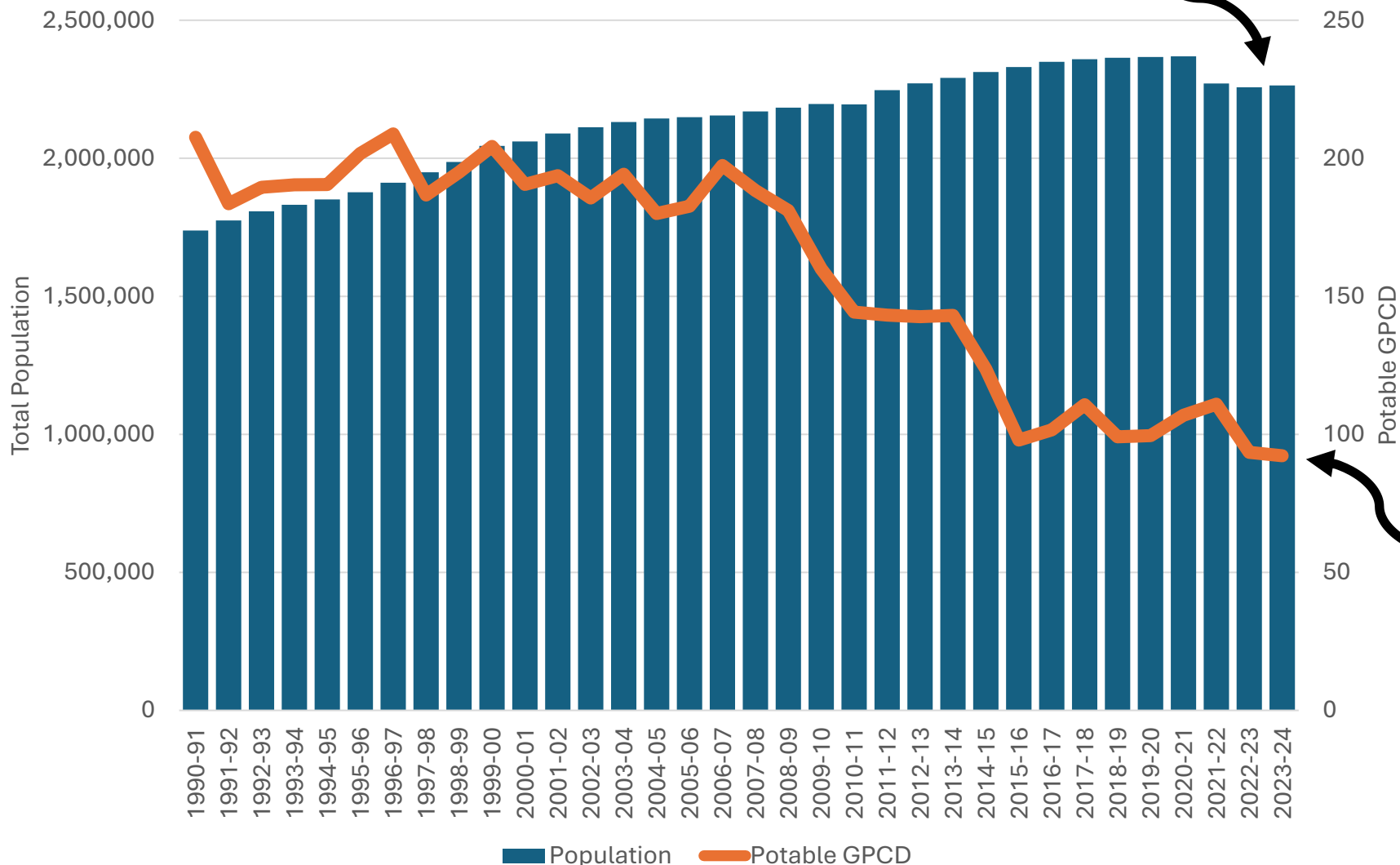
5



Over 19 Billion Gallons of Water Saved Per Year!
(59,900 afy)

Investments in Resilience



1990

1.73 Million

GPCD 207



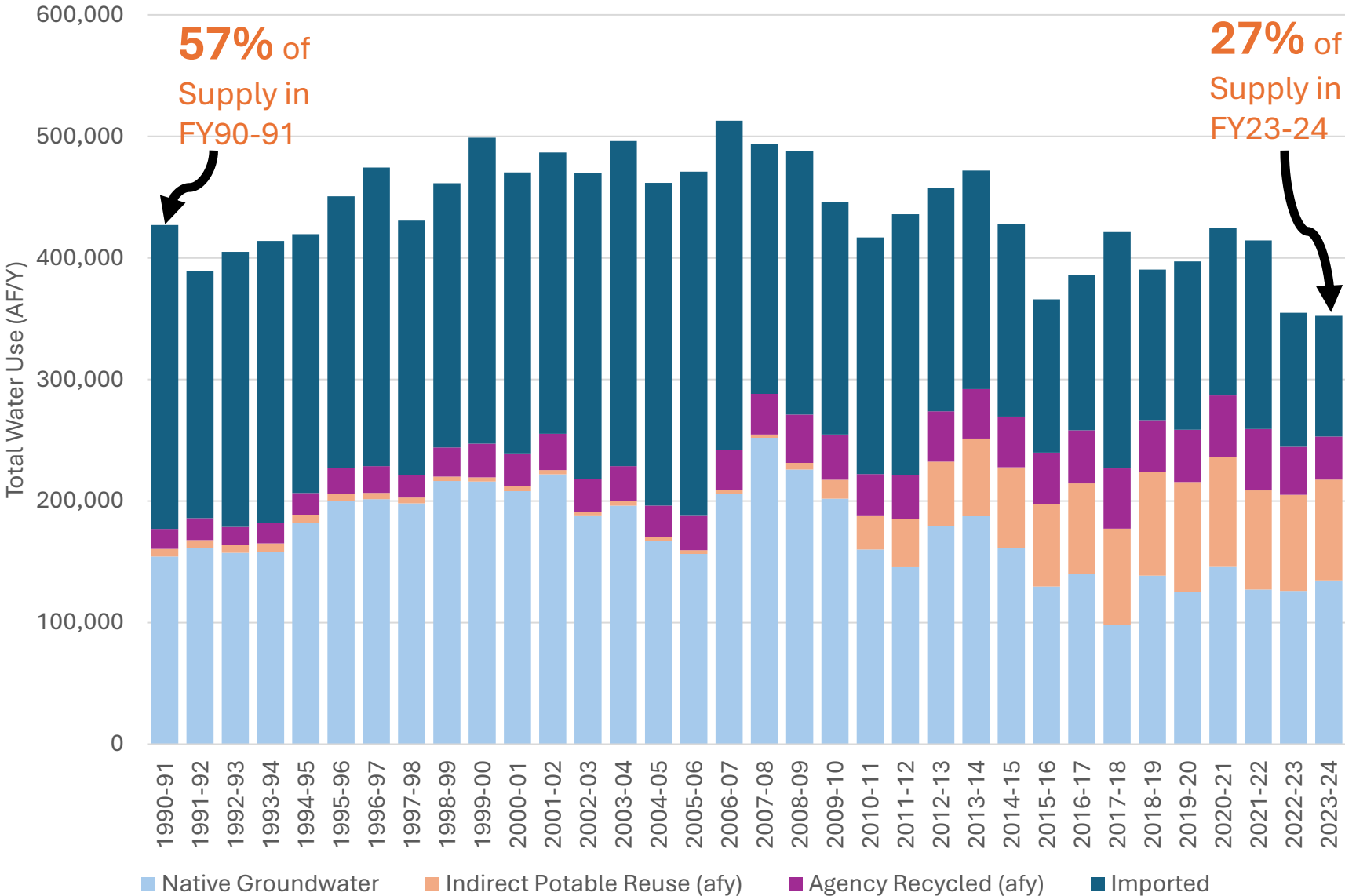
2023

2.34 Million

GPCD 93

525,000
Additional
people in the
service area

56%
drop in
Potable
GPCD
since
1990

*GPCD Expressed as potable GPCD

Local Investments in Reliability



**Metropolitan Diemer Water
Reclamation Plant**



Thank you for your attention.
Please **let us know** if you have questions.

Harvey De La Torre

General Manager

Direct (714) 593-5027

Email hdelatorre@mwdoc.com



physical address

18700 Ward Street, Fountain Valley CA 92708



mail address

P.O. Box 20895, Fountain Valley CA 92728



website

www.mwdoc.com

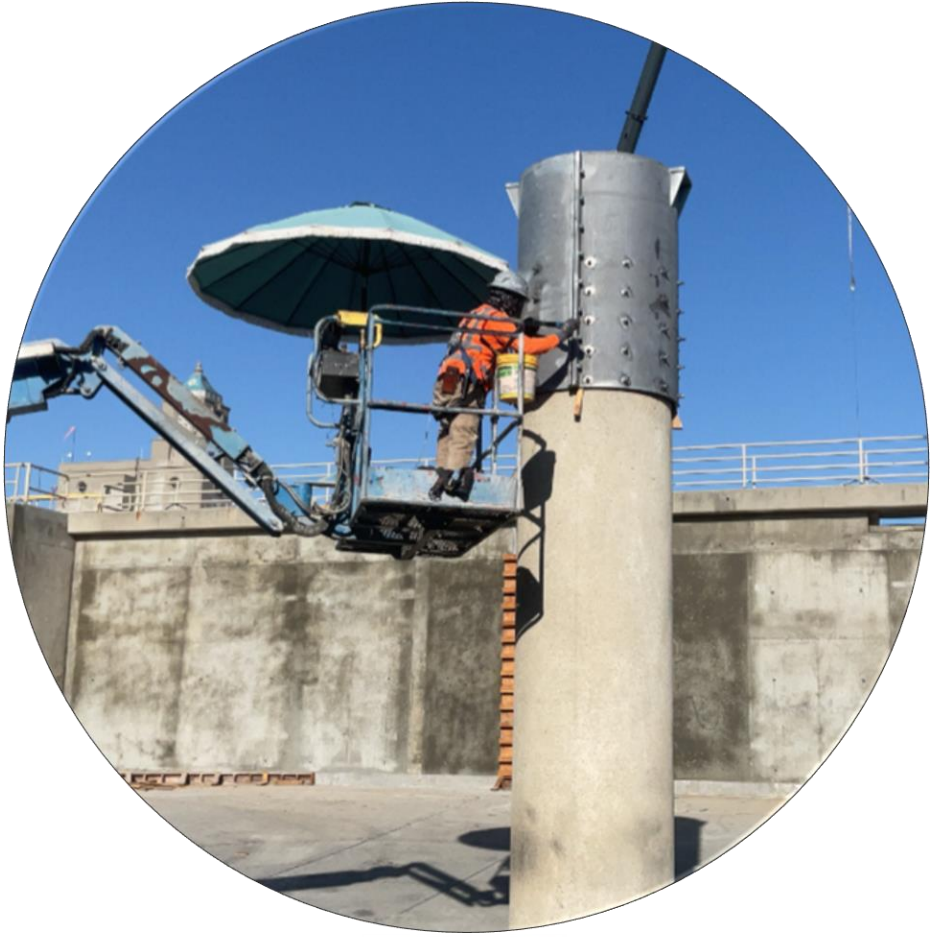


main office

(714) 963-3058



MWD OC MUNICIPAL WATER DISTRICT OF ORANGE COUNTY



General Manager's Monthly Report



Activities for the Month of September 2024



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Strategic Priorities Update

The General Manager’s Strategic Priorities guide actions in key areas of change and opportunity that will strengthen Metropolitan and its ability to fulfill its mission. Review the General Manager’s [Business Plan for FY24-25](#) and the ["SMART Tracker"](#) dashboard of specific actions that advance the Strategic Priorities.



Empower the workforce and promote diversity, equity, and inclusion



Goal Dashboard

8 Outcomes in progress at the start of the fiscal year

■ Build a safe, inclusive, and accountable workplace where all employees feel valued, respected, and able to meaningfully contribute to decisions about their work to fulfill Metropolitan’s Mission.

Civil & Inclusive Workplace Training is being provided to managers starting in September. In addition, we are creating a toolkit for managers to help facilitate conversations with their teams about values and respect in the workplace.

■ Prepare and support the workforce by expanding training and skill development and updating strategies to recruit and retain diverse talent, to meet the evolving needs and expectations of the workplace.

A formal mentoring program for new managers is underway, and the Engineering Services Group’s next Career Launch cohort will begin its first module on October 17, 2024.



Sustain Metropolitan's mission with a strengthened business model



Goal Dashboard

5 Outcomes in process at the start of the fiscal year

- **Develop revenue and business model options that support the needs of the member agencies as well as Metropolitan's financial sustainability and climate adaptation needs.**

The Climate Adaptation Master Plan for Water (CAMP4W) Task Force met in September and worked toward finalizing evaluative criteria. A Treated Water Cost Recovery meeting was held in September, and the member agency business model retreat is set for October 10-11.

- **Identify and secure programmatic cost savings, organizational efficiencies and external funding.**

The Centralized Grants Office hosted a SoCal Water Grants Network meeting in late August. The Network heard a panel discussion on strategic partnerships for the pursuit and management of grants.

Last month Metropolitan Legislative staff reported to the board on the status of Senate Bill 1255, introduced by Senator Durazo, which sought to provide financial relief to low-income households offering a 20 percent water-rate discount for eligible customers of larger water systems and which aimed to establish a universal water rate assistance program. The bill has been held in the state's Appropriations Committee and did not move forward this legislative session. While the bill garnered significant support, especially from advocacy groups, it did not proceed primarily due to concerns about funding mechanisms. The bill proposed using voluntary donations rather than state taxes or fees to fund the assistance program.

Metropolitan staff continues to work with Eastern Municipal Water District and the University of California Riverside on a water affordability study expected to be completed in December 2024.



Adapt to changing climate and water resources



Goal Dashboard

10 Outcomes in process at the start of the fiscal year

■ Provide each member agency access to an equivalent level of water supply reliability.

The Climate Adaptation Master Plan for Water Task Force met in September and worked toward finalizing evaluative criteria and reviewed the evaluation of a sample project to test the criteria and presentation format. Additional input was received, and staff intends to return with another set of scored projects to further test and refine this important component of the decision making framework.

Water Resource Management staff made strides in furthering regional conservation efforts by securing two grants through the U.S. Bureau of Reclamation's (USBR) WaterSMART Water and Energy Efficiency Grant Program. Regarding the Colorado River, staff met with USBR and provided a technical overview of the Antelope Valley-East Kern Water Agency High Desert Water Bank, which was approved to receive grant funding from the federal government under the Inflation Reduction Act.

In support of long-term water supply reliability for the State Water Project dependent areas, a September 2024 board action authorized the procurement of the remaining long-lead equipment for improvements to Sepulveda Feeder Pump Stations. Phase 1, which includes site investigation, design to the 75 percent level, and completion of a guaranteed maximum price to complete all work is scheduled for completion by December 2024.

■ Advance the long-term reliability and resilience of the region's water sources through a One Water approach that recognizes the interconnected nature of imported and local supplies, meets both community and ecosystem needs and adapts to a climate change.

The Board authorized the General Manager to provide funding for three forest resilience programs in the northern Sierra Nevada. The programs support a holistic watershed approach to sustainable Bay-Delta water supplies and will include pilot investigations to better understand the effects of improving watershed health on water quality, water supply, habitat protection, wildfire risk, and carbon sequestration.



Watershed Resilience

Funding approved to test water supply impacts of forest restoration

A Water Use Efficiency coordinator meeting was held in-person in September, and the next Program Advisory Committee meeting is scheduled to take place in October. An update on Conservation as a California Way of Life will be presented and discussed at October's One Water and Stewardship Committee meeting.

Staff and consultants are working on the next One Water Awards program and are beginning to develop a short list of potential awardees and looking at strategies to promote them.



Protect public health, the regional economy, and Metropolitan's assets



Goal Dashboard

9 Outcomes in process at the start of the fiscal year

Proactively identify, assess, and reduce potential vulnerabilities to Metropolitan's system, operations, and infrastructure.

Duty Officers provided support as we monitored multiple wildfires and related notifications during the last month. There are a total of four Duty Officers now, and Security Management aims to add at least one more Duty Officer.

Emergency Operations Center (EOC) staff participated in an official State EOC Management course this month, as well as one in July 2024. EOC staff will participate in the Great California ShakeOut planned for October 2024. A second Emergency Management staff person has become an authorized State instructor and can now teach California Governor's Office of Emergency Services (Cal OES) courses.

A kick-off meeting was held this month to update the current Risk Assessment and Emergency Response Plan, a project expected to take one year.

Apply innovation, technology, and sustainable practices across project lifecycles.

Staff has issued a Request for Proposals and received and prequalified four consultants to perform preliminary design for Zero-Emission Vehicle (ZEV) charging infrastructure. Staff is preparing an October board action to award on-call agreements to support preliminary design.



Partner with interested parties and the communities we serve



Goal Dashboard

6 Outcomes in progress at the start of the fiscal year

- Grow and deepen collaboration and relationships among member agencies, interested parties and leaders on the issues most important to them and toward mutual and/or regional benefits.

Metropolitan held a public forum on CAMP4W in September with representatives of community-based and environmental organizations, consultants, tribal interests, member agencies and staff. Approximately 60 people participated in person and 80 online. Following a presentation on CAMP4W, the participants worked in groups to share their priorities for Metropolitan's climate adaptation policies and then to explore ideas on collaboration and partnerships to help accomplish the work that might evolve from the policies. The information shared from the groups is being considered in development of the policies and partnerships element of the plan. Black Women for Wellness, a non-profit, shared their work on environmental and reproductive justice as well as their new Drinking Water Guide for South Los Angeles. The guide was developed in response to community questions and concerns regarding the quality and safety of their drinking water.

Metropolitan also updated the member agency Public Information Officers (PIO) on CAMP4W and began formation of a CAMP4W PIO Working Group.

At the direction of management and the Bay-Delta Ad Hoc Committee, External Affairs (EA) prepared and will begin to execute an outreach effort to inform and engage a broad range of interested parties to provide input (written and public comment) in preparation for the Board's vote on funding to complete the planning for the Delta Conveyance Project in December.

New employee communication assets include a "Water Champions" social media campaign which will highlight employees and their work on a weekly basis through 2024. Engagement on social media has been very high.



"Water Champions"

Social media campaign launched to highlight employees and their work

Metropolitan's Vision and Values are now posted as part of the "Who We Are" section of the website, at www.mwdh2o.com/vision-and-values. EA staff will continue to work with Diversity, Equity & Inclusion (DEI) and Human Resources on this initiative and supplemental tools for supporting improvements to the workplace culture.

■ **Reach disadvantaged communities and non-traditional interested parties to better understand their needs and ensure their inclusion in decision making.**

Staff are evaluating the data available on use of rebate programs within disadvantaged communities (DAC) in preparation for GIS mapping. A new turf rebate conservation media campaign will be in multiple languages with a minimum 30 percent spend in disadvantaged communities.

A new sustainability competition program initiated by Education staff will reach college students, including those in DAC communities.

Members of the DEI team met with Colorado River Indian Tribes (CRIT) in Parker, AZ in September to work toward better partnering around workforce development efforts in Tribal communities.

Executive Summary

This executive summary is added to this report to provide a high-level snapshot of a key accomplishment from each area of the organization. Detailed information is reported in the pages following this summary.

Bay-Delta Resources

Staff presented information to the State Water Resource Control Board related to Sites Reservoir's water rights hearing. On September 20, the Third District Court of Appeal [released an opinion](#) upholding the decision by the Superior Court of Yolo County in the *Friends of the River v. Sites Project Authority* case. The Yolo County Superior Court and now the Court of Appeal have found in the Sites Project Authority's favor in every claim asserted by the environmental organizations challenging the sufficiency of the Final Environmental Impact Report, concluding that the Authority fully complied with the California Environmental Quality Act in its review of the Sites Project.

Staff presented twice at the 154th Annual American Fisheries Society Annual Meeting.

Chief Financial Officer

In September 2024, Metropolitan priced the \$214,335,000, Water Revenue Refunding Bonds, 2024 Series C. The 2024 Series C bonds were priced at a True Interest Cost of 3.71 percent (to maturity) and 1.76 percent (to call date of 4/1/34) and received a strong reception from investors, who placed over \$1.3 billion in orders. On September 18, 2024, Metropolitan priced the \$150,000,000, Variable Rate Subordinate Water Revenue Bonds, 2024 Series D, with an initial weekly variable rate of 2.60 percent. Barclays was the senior underwriter for both the 2024C bonds and the variable rate subordinate 2024D bonds. The 2024C bonds and the variable rate subordinate 2024D bonds closed on September 19, 2024.

Colorado River Resources

Following board authorization in August 2024, in September Metropolitan executed an agreement with Imperial Irrigation District and San Diego County Water Authority to leave an additional 50,000 acre-feet of water in Lake Mead. In response to leaving the water in Lake Mead, the San Diego County Water Authority and Metropolitan will receive revenue generated by the U.S. Bureau of Reclamation under the Inflation Reduction Act.

Diversity, Equity & Inclusion

The Diversity, Equity & Inclusion (DEI) Team continued to build connections and expand opportunity in the community throughout the month of September in ever more meaningful ways. We produced another class of graduates from our Contractor Academy and engaged in several business procurement opportunities across the service territory, including with the Asian Business Association, the Women Enterprise Business Council, and the Filipino American Chamber of Commerce, among others. Regarding our Workforce Development efforts, we have been working with the City of Carson, the Los Angeles County Sanitation District and West Basin to advance an MOU focused on workforce development efforts focused on Pure Water Southern California. Last, but certainly not least, with respect to our culture transformation efforts, we began rollout of Civil & Inclusive Workplace Training to all 1,800+ employees, starting with our leadership.

Engineering Services

In September 2024, Metropolitan's Board approved the early procurement of pumps, valves, motor control centers, and switchgear for the Sepulveda Feeder Pump Stations Project. This project will enhance overall water supply reliability while increasing system flexibility in times of reduced State Water Project supplies. To expedite project completion, this project is Metropolitan's first project using progressive design-build (PDB) delivery. The PDB approach maximizes collaboration among contractor, design consultant, stakeholders, and Metropolitan, while it streamlines schedule and incorporates value engineering and constructability early in the project's development. The recent board approval is a PDB milestone that demonstrates how this delivery approach expedites overall project schedule, reduces supply chain risk, and minimizes price uncertainty resulting from future inflation.

Equal Employment Opportunity Office

This month, Equal Employment Opportunity Office (EEO) staff attended the Association of Workplace Investigators' (AWI) Annual Conference held in San Diego, CA. AWI is a professional membership association for individuals who conduct, manage, or have professional interest in workplace investigations. Its mission is to promote and enhance the quality of impartial workplace investigations. In support of this mission, EEO attended sessions such as "How to Handle the Most Challenging Witnesses," "Best Practices for Conducting Multifaceted C-Suite Investigations," and "Investigating Complex Sexual Harassment Cases." The EEO Office will continue to attend trainings and conferences to ensure that we maintain the gold standard in conducting fair, impartial, and thorough investigations.

On September 19, EEO conducted a concurrence process training to 47 Section/Unit/Team managers in Integrated Support Services, Treatment & Water Quality, and Conveyance & Distribution. The purpose of this training was to provide hiring managers in this section with an understanding of EEO's role in the recruitment process. EEO explained that an EEO representative would attend the Hiring Strategy meetings for underutilized positions and other positions deemed by the EEO Office to require further monitoring, to assist management with identifying relevant targeted outreach, and to discuss other steps in the process that EEO would be involved in. For example, EEO may observe interviews, review testing material, interview questions, selection justifications, and other related processes that are used for making employment-related decisions.

External Affairs

Metropolitan, in partnership with Calleguas MWD, hosted a Community Leaders' Briefing with Assemblymember Bennett (D-Oxnard) to discuss regional and statewide water issues. Chair Ortega and Director McMillan spoke at the event that drew about 80 attendees. (September 16).

Human Resources

The Organizational Development & Training Unit (OD&T) facilitated sessions 6 and 7 of its 14th cohort of Metropolitan Management University for 14 new managers. The topics were Coaching, The Americans with Disabilities Act (ADA) and the California Fair Employment and Housing Act (FEHA) Compliance, Workers' Compensation, and Leave Administration. Participants were debriefed on their Emotional Intelligence (EQ) assessment in one-on-one sessions with OD&T's Principal, Melinda Snow (who is certified in EQ coaching). The Unit also facilitated a Team Building for the Administrative Services' Business Support Team, which concentrated on Communication Skills and Conflict Resolution.

Metropolitan's annual Employee Survey collected feedback on Metropolitan's culture and leadership (with a 54 percent response rate). The results will be posted on a SharePoint site hosted by Human Resources.

Information Technology

The Information Technology (IT) group recently completed the migration of the email system (Microsoft Exchange) from an on-premises data center to Microsoft Cloud. Over the years, IT created many shared mailboxes and email distribution lists (DLs) for various teams and groups. However, it was noted that a sizeable number of DLs and shared mailboxes were not migrated to the cloud. As a result, the IT team did a deep dive to verify the quality of these items. The goal was to analyze, identify, and remove redundant DLs and shared mailboxes to increase efficiency for end users. The team also addressed items that did not adhere to and conform with industry best practices. The team remediated and moved 500+ mailboxes and 300+ DLs to the cloud. Metropolitan's email system and all its components are now hosted in Microsoft Cloud. Standard Operating Procedures (SOPs) were developed for ongoing maintenance of shared mailboxes and DLs. The SOPs have been added to the IT knowledge base library located on the IT customer support portal.

Safety, Security and Protection

The Security and Emergency Management Unit (SEMU) recognizes its personnel limitations while overseeing an expansive service area with numerous facilities. To enhance its capabilities, SEMU strategically leverages partnerships at the local, state, and federal levels for specialized expertise, best practices, and technical know-how. One key partner is WaterISAC, an organization dedicated to protecting critical infrastructure, particularly water facilities. WaterISAC not only values SEMU's unique skill sets but also sought their assistance in developing a national tabletop security exercise scenario tailored to the water sector, further demonstrating SEMU's influence and collaborative strength in safeguarding critical infrastructure.

There are now two Emergency Management staff members certified to teach State emergency management courses at Metropolitan. They taught a state course for EOC Management personnel in August. Water Quality staff participated in a multi-day national water contamination exercise with various outside agencies. Emergency Management staff simulated an EOC activation during the exercise. Staff monitored multiple large wildfires in Metropolitan's service area and are prepared to activate the EOC if the fires continue to spread.

Health and Safety (H&S) facilitated a Labor/Management meeting with NSC to provide updates on safety and workplace culture initiatives, review of the finalized safety vision and guiding principles, and provide an overview of the new Executive Safety Committee. Staff also issued several Safety "Met" Alerts this month for COVID-19 exposure, high heat events, and Wildfire Smoke Exposure.

The Apprenticeship Program completed written and practical exams for electricians and mechanics. The recruitment of the new class of apprentices is progressing by sending qualifying applicants a link to schedule online testing.

Sustainability, Resiliency and Innovation

Centralized Grants and Research staff introduced two non-profits to Metropolitan staff and participated in kick-off sessions to discuss future grant and/or research opportunities. One agency is Electric Power Research Institute and the other is the National Fleet Electrification Network.

Water Resource Management

Water Resource Management (WRM) staff continues to provide leadership and partnership opportunities. On the landscape conservation front, staff provided two Water Efficient Landscape Dual Certification Program classes. Staff provided presentations and representation at the board meetings for the Southern California Salinity Coalition and CalDesal, and participated in the board meeting for the California Water Data Consortium. In terms of outreach, WRM staff met with and participated in a meeting with representatives from the Japanese Water Works Association. WRM staff also attended a ribbon-cutting ceremony for the Pasajero Groundwater Recharge Project with Westlands Water District, which is a lead into future partnership opportunities through the Memorandum of Understanding with Metropolitan, Friant Water Authority, and Westlands.

Water System Operations

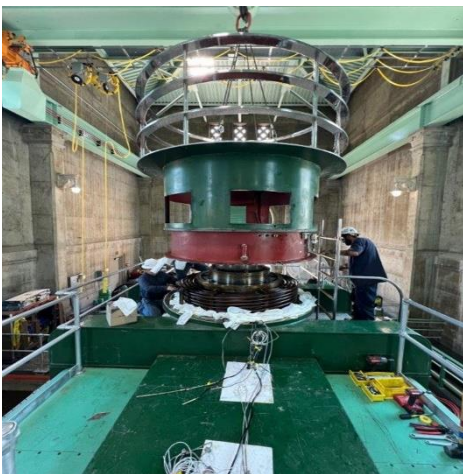
Staff completed a white paper, *"Roadmap for Direct Potable Reuse: Considerations for Implementing DPR through the Pure Water Southern California Program."* This document outlines the role of direct potable reuse (DPR) in the PWSC program, the implications of newly adopted DPR regulations, and the research and planning needed for successful implementation. A collaborative effort, the white paper reflects contributions from staff across Water Quality, System Operations, Engineering, and External Affairs, underscoring the teamwork and collective expertise of Metropolitan staff. The white paper was presented to the Board's Pure Water Southern California and Regional Conveyance Subcommittee on September 24.



Discharge Valve Cover being removed.



Discharge plug being installed after coating at Iron Mountain.



*Dissassembly of Unit #9 at Eagle Mountain.
Pulling the exciter housing.*

TEAM DESCRIPTION

The Desert Section Pump Maintenance Team is responsible for all heavy repair of Colorado River Aqueduct equipment. The team consists of highly skilled mechanics, welders and machinists who work together to repair and overhaul critical equipment. The team has a shop at both the Eagle Mountain and Gene Camp facilities which allows them to quickly respond to emergency repairs across the Desert service area. The highly specialized skills required to repair everything from 12,500hp synchronous motors to machining small components for our Discharge Valve Governor systems is what sets this team apart.

IMPORTANCE TO METROPOLITAN

Much of the CRA equipment you see in the very first MWD Annual Report published in 1939 is still in service today. Dedicated, highly skilled employees are required to ensure the operational reliability we have long expected from the CRA. The Pump Maintenance Team staff collaborates with MSU, ESG, and other entities within Metropolitan to quickly repair or refurbish equipment, often providing solutions that will enhance efficiency and reliability. The Pump Maintenance Team staff understand the impact of drought and changing demands, and keep operational flexibility at the forefront of planning.

MEMORABLE MOMENT

During the 2024 CRA Shutdown, the team already had a full schedule worth of projects and repairs to complete within a small window of time. At the beginning of the Shutdown, the stem of Copper Basin Gate 1 suffered major damage. Though just the stem repair was a major undertaking, the team rallied together and were able to take on this additional project with minimal interruption to the completion of previously scheduled tasks.

“With recent efforts to repair major equipment along the CRA, the Pump Maintenance Team has been taking a proactive approach to maintaining an 8-pump flow commitment. Keeping an open line of communication with the Desert Plants maintenance schedules has allowed the team to make repairs with no interruptions of water deliveries. Job well done team!”

**Steve Solaiza, Team Manager,
Desert Pump Maintenance Team**

Water Supply Conditions Report

Water Year 2023-2024

As of 09/30/2024

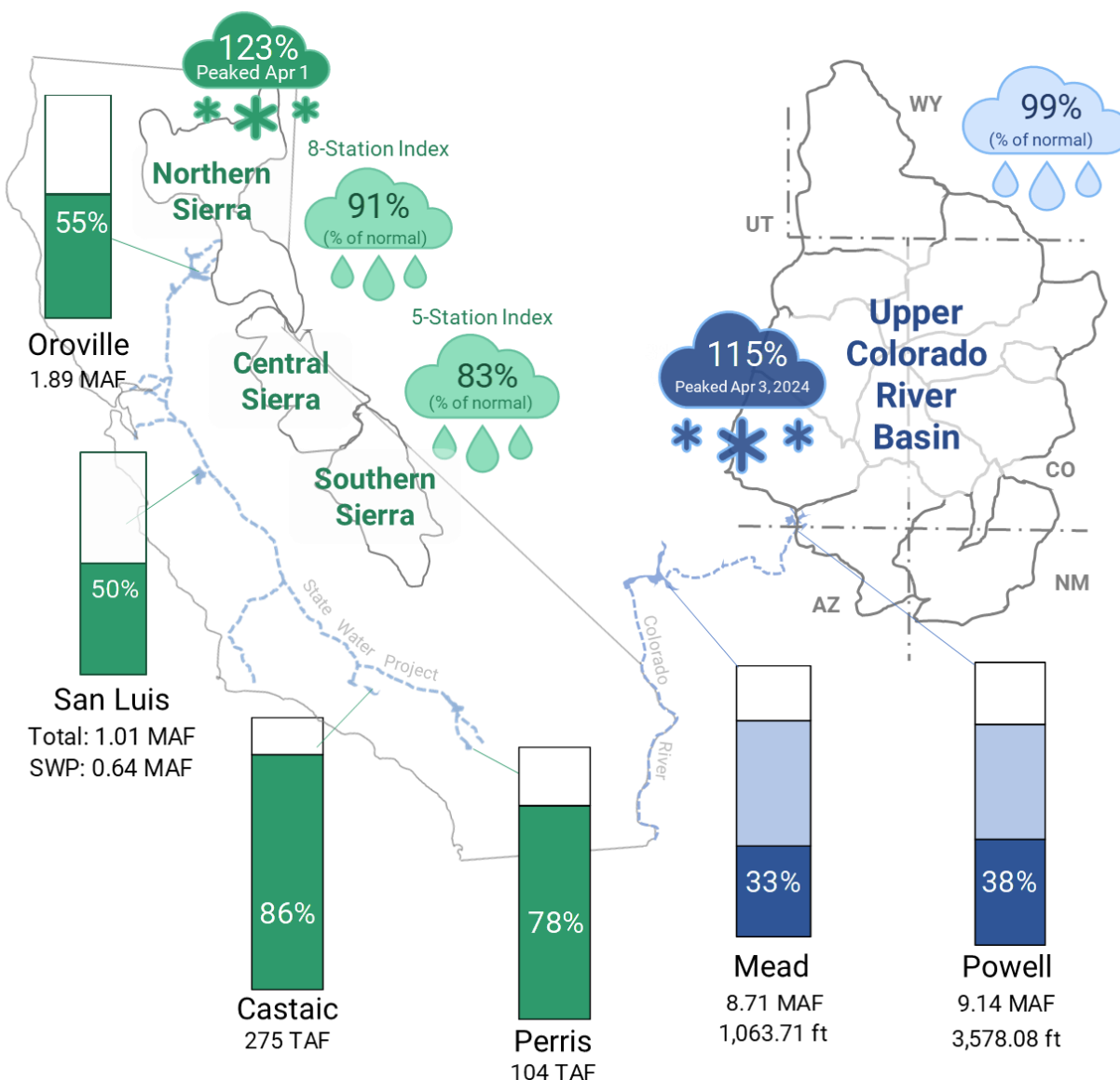
Extended Report: <https://www.mwdh2o.com/WSCR>

State Water Project Resources

SWP Allocation
40% Table A: 764,600 acre-feet

Colorado River Resources

Projected CRA Diversions
957,000 acre-feet



Reservoir Report

End of Month Reservoir Report

Monthly Update as of:

9/30/2024

<u>Reservoir</u>	<u>Current Storage</u>	<u>Percent of Capacity</u>
<i>Colorado River Basin</i>		
Lake Powell	9,136,165	38%
Lake Mead	8,712,000	34%
<i>DWR</i>		
Lake Oroville	1,887,909	55%
Shasta Lake	2,766,115	61%
San Luis Total	1,011,194	50%
San Luis CDWR	639,802	60%
Castaic Lake	275,360	85%
Silverwood Lake	70,073	93%
Lake Perris	103,853	79%
<i>MWD</i>		
DVL	786,690	97%
Lake Mathews	95,957	53%
Lake Skinner	38,823	88%



Hoover Dam



Metropolitan's Mission is to provide its service area with adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way.

700 N. Alameda Street, Los Angeles, CA 90012
General Information (213) 217-6000
www.mwdh2o.com www.bewaterwise.com

Interim General Manager: Deven Upadhyay
Office of the GM (213) 217-6139
OfficeoftheGeneralManager@mwdh2o.com



Matters Impacting Metropolitan

Federal Judge Finds EPA Must Take Regulatory Action As To Fluoridated Drinking Water

As noted in the Interim General Manager's October 2, 2024 memo to the Board and Member Agency Managers, on September 24, 2024, a California federal judge held that the fluoridation of drinking water at levels typical in the United States poses an unreasonable risk of injury to public health within the meaning of the federal Toxic Substances Control Act (TSCA). Specifically, in *Food & Water Watch, Inc., et al. v. EPA*, Senior District Judge Edward Chen of the U.S. District Court for the Northern District of California found that "fluoridation of water at 0.7 milligrams per liter ("mg/L") – the level presently considered 'optimal' in the United States – poses an unreasonable risk of reduced IQ in children." However, he cautioned that "this finding does not conclude with certainty that fluoridated water is injurious to public health; rather, as required by . . . TSCA, the Court finds there is an unreasonable risk of such injury, a risk sufficient to require the EPA to engage with a regulatory response" (emphasis in original).

Regulatory actions under TSCA can range from requiring a mere warning label to banning the chemical. Judge Chen did not say what EPA's response must be, but he made clear that EPA cannot ignore that risk. It is possible that EPA could appeal this ruling to the U.S. Court of Appeals for the Ninth Circuit.

In reaching his decision, Judge Chen relied on a recent National Toxicology Program (NTP) monograph on fluoride's neurotoxicity which concluded higher levels of fluoride exposure, such as drinking water containing more than 1.5 mg/L of fluoride, are "associated with lower IQ in children." But NTP emphasized that there were "insufficient data to determine if the low fluoride level of 0.7 mg/L currently recommended for U.S. community water supplies has a negative effect on children's IQ." In this regard, the American Dental Association (ADA) stated the court ruling "provides no scientific basis for the ADA to change its endorsement of community water fluoridation as safe and beneficial to oral health."

This ruling is the first time a court has reversed EPA's decision under TSCA that a chemical does not pose an unreasonable risk. TSCA authorizes EPA to regulate chemicals and protect against their unreasonable risk to human health and the environment. Congress amended TSCA in June 2016, allowing any person to petition EPA to consider whether a chemical presents an unreasonable risk of injury to health or the environment. Previously, petitioners were required to show that the issuance of a rule or order was necessary to protect health and the environment.

If EPA denies such a petition, the petitioner can seek judicial review of EPA's denial of the petition *de novo*, meaning that a judge independently reviews the evidence without deference to EPA.

On November 22, 2016, plaintiffs petitioned EPA under TSCA to prohibit the fluoridation of drinking water supplies. Plaintiffs argued that the ingestion of fluoride poses an unreasonable risk of neurotoxic harm to humans including IQ loss, particularly for infants and young children. After EPA denied plaintiffs' petition, plaintiffs filed a lawsuit in 2017 seeking judicial review of EPA's denial of their petition. EPA argued that the court's review should be limited to the evidence that was in the administrative record as part of the plaintiffs' petition to EPA. The judge agreed with the plaintiffs that because TSCA provides for a *de novo* proceeding (without deference to EPA's decision) the court allowed the plaintiffs to introduce evidence, such as the NTP monograph, which was not presented to EPA in the plaintiffs' underlying petition.

The *Food & Water Watch* case shows how plaintiffs' tactics seeking to ban the fluoridation of drinking water have changed. Previously, plaintiffs relied on constitutional arguments to challenge Metropolitan's fluoridation of its drinking water, but now they are attempting to change EPA's regulation of fluoride under TSCA. In 2011, Metropolitan was sued in federal court by individual plaintiffs who argued in *Foli, et al. v. Metropolitan* that Metropolitan's fluoridation process using hydrofluosilicic acid (HFSA) was an unlawful and unconstitutional medication of the plaintiffs.



Plaintiffs also alleged state law claims and sought a petition for writ of mandamus.

Metropolitan moved to dismiss plaintiffs' lawsuit, arguing (among other things) that the constitutional claims were preempted by the federal and state Safe Drinking Water Acts (SDWAs). While EPA sets and enforces federal drinking water standards at the national level through the federal SDWA, EPA has granted California and other states the authority to implement and enforce federal drinking water standards. California's SDWA requires, subject to certain exemptions, community drinking water fluoridation for water systems with at least 10,000 service connections "in order to promote the public health of Californians of all ages through the protection and maintenance of dental health, a paramount issue of statewide concern." (Cal. Health & Safety Code § 116410(a).) In compliance with this legal mandate, Metropolitan adjusts the natural fluoride level in treated water to the optimal level for dental health (0.7 mg/L).

The federal district court judge agreed with Metropolitan's arguments, including that plaintiffs' constitutional claims were preempted by the comprehensive remedial scheme of the federal SDWA. The judge also ruled that plaintiffs' constitutional claims failed because Metropolitan's use of HFSA as a fluoridation agent is a reasonable means of advancing the legitimate governmental objective of protecting dental health through the fluoridation of drinking water. In particular, the court found: "Under the comprehensive regulatory scheme of the SDWA, 'the type and amount of any chemical' used for fluoridation must be approved by the California Department of Public Health ('DPH') and must meet 'exacting standards and specifications.' [citation omitted] Here, MWD's fluoridation plan has been licensed by DPH and is consistent with the requirements of the federal and state SDWA." After the court dismissed plaintiffs' claims, they filed an appeal with the U.S. Court of Appeals of the Ninth Circuit. In February 2015, the Ninth Circuit affirmed the district court's dismissal of the *Foli* case.

Metropolitan staff will continue to monitor the *Food & Water Watch* lawsuit and EPA's response to Judge Chen's ruling.

Appellate court ruling issued in *Friends of the River v. Sites Project Authority* involving CEQA judicial streamlining

On September 20, 2024, the California Court of Appeals for the Third District issued a ruling in *Friends of the River v. Sites Project Authority*, confirming the sufficiency of the environmental impact report (EIR) for the Sites Reservoir Project—a project to build a reservoir in Northern California intended to capture excess stormwater from major storms (Sites Project). The Sites Project is the first in the state to use the new California Environmental Quality Act (CEQA) streamlining process created as part of the Governor's 2023 initiatives to expedite infrastructure projects, specifically under Senate Bill No. 149 (Caballero—2023). This ruling demonstrates the court's deference to agency discretion when supported by thorough documentation and adherence to procedural standards. The ruling also shows the effectiveness of the new CEQA judicial streamlining process; it was less than one year from agency certification to appellate court ruling.

The Sites Project Authority certified the EIR for the Sites Project on November 23, 2023. The Sites Project proposes to divert water from the Sacramento River and stored in an offstream reservoir near Maxwell, California. The Sites Project aims to improve water supply reliability, support environmental and contractual obligations, and enhance the ecosystem through flexible water management and surface water supply.

On December 19, 2023, several environmental organizations, including Friends of the River, Center for Biological Diversity, and Sierra Club, filed a petition for a writ of mandate challenging the certification of the EIR. They contended that the EIR's environmental baseline and range of alternatives violated CEQA. On June 12, 2024, the superior court denied the petition, leading to this appeal.

The petitioners argued that the EIR's baseline was flawed because it relied on 2019 biological opinions that are subject to legal challenge, and the EIR did not account for possible future changes to the relevant water quality control plan. The court concluded that the Sites Project Authority did not abuse its discretion in setting the environmental baseline. The baseline provided a realistic and legally defensible snapshot of existing environmental conditions and was supported by substantial evidence.



The petitioners also argued that the EIR failed to analyze a reasonable range of alternatives, specifically operational alternatives that could mitigate environmental impacts without compromising the Project's objectives. They focused on the diversion criteria for water from the Sacramento River to the reservoir, claiming the alternatives lacked variation in this critical aspect. The court ruled that the EIR's range of alternatives was neither arbitrary nor capricious. The Sites

Project Authority demonstrated a good-faith effort to analyze feasible alternatives that would achieve the Project's objectives while considering environmental impacts.

The current ruling was issued three days after the September 17, 2024, appellate hearing. The petitioners may still appeal this to the California Supreme Court so staff will continue to monitor the proceeding.

Matters Involving Metropolitan

Metropolitan Opts Out of PFAS Settlement with Tyco; Deadline to Opt Out of BASF Settlement Approaching

On September 23, 2024, Metropolitan opted out of a proposed class action settlement between all eligible public water systems (PWSs) nationwide and Tyco Fire Products LP (Tyco) in the Aqueous Film-Forming Foams (AFFF) Multidistrict Litigation (MDL). Tyco had previously announced on April 12, 2024, a proposed class action settlement with all PWSs that have one or more water sources impacted by per- and polyfluoroalkyl substances (PFAS) as of May 15, 2024, where Tyco agreed to pay \$750 million (Tyco Settlement). Similar to the prior DuPont and 3M class action settlements in the AFFF MDL, all eligible PWSs will be automatically included in and bound by the proposed Tyco Settlement unless they opted out by the September 23, 2024, deadline.

The consequence of remaining in the proposed settlement is that PWSs' claims against Tyco are released in exchange for the payment authorized by the terms of the proposed settlement. The court granted preliminary approval of the proposed Tyco Settlement in June 2024. On August 23, 2024, Metropolitan, along with three other water systems represented by Marten Law, LLP, filed objections to several terms and provisions, including the overbroad release language, in the proposed Tyco Settlement. On September 17, 2024, Class Counsel filed a motion for final approval of the

proposed Tyco Settlement, for final certification of the settlement class, and in response to the objections.

On May 21, 2024, BASF Corporation announced a proposed class action settlement with all eligible PWSs that have one or more water sources impacted by PFAS as of May 15, 2024, where BASF agreed to pay \$316.5 million (BASF Settlement). Again, the proposed settlement will be binding on eligible PWSs, and they will release their claims against BASF, unless they opt out by the deadline of October 15, 2024. The court granted preliminary approval of the proposed BASF Settlement on July 3, 2024. Like with the proposed Tyco Settlement, on September 13, 2024, Metropolitan and three other water systems represented by Marten Law, LLP filed objections to several terms and provisions, including the overbroad release language, in the proposed BASF Settlement. Class Counsel must file their motion for final approval of the proposed BASF Settlement and respond to objections by October 15, 2024. At a Final Fairness Hearing on November 1, 2024, the court will rule on the objections to the proposed Tyco and BASF Settlements and decide, among other things, whether to grant final approval of the proposed settlements. Metropolitan staff will continue to monitor the AFFF MDL, as well as the upcoming Final Fairness Hearing.



Matters Received

<u>Category</u>	<u>Received</u>	<u>Description</u>										
Action in which MWD is a party	1	Petition Pursuant to Government Code § 946.6(c)(2) for an Order to be Relieved of the Claims Filing Requirements of Government Code §§ 911.2, 945.4 et seq., filed Los Angeles County Superior Court, in the case <i>Andres Trujillo-Sanchez v. City of Pico Rivera, County of Los Angeles, Flood Control District of Los Angeles County, MWD, County Sanitation District of Los Angeles County, State of California, Whittier Narrows Recreation Area</i> , Case No. 24STCP02794, relating to the March 12, 2023 wrongful death of Petitioner's mother, Yesenia Sanchez, from injuries being hit by a passing hit-and-run motor vehicle (not an MWD vehicle) while walking south along Rooks Road. Claims were presented beyond the six-months claims filing period to each of the named Respondents. The claims were rejected. This is a Petition for relief from the claims filing requirements.										
Government Code Claims	1	Claim relating to an accident involving an MWD vehicle										
Subpoenas	1	Subpoena for employee's benefit records for matter unrelated to MWD										
Requests Pursuant to the Public Records Act	14	<table><tr><th><u>Requestor</u></th><th><u>Documents Requested</u></th></tr><tr><td>AFSCME Local 1902 (2 requests)</td><td>(1) Records relating to employees who were granted the ability to telework full time; and (2) records over the past seven years regarding injuries, illnesses, or deaths reported for the OSHA 300 Log, per Title 29 of the Code of Federal Regulations Part 1904</td></tr><tr><td>APTIM</td><td>Proposals and scoring sheet for Request for Qualifications for On-Call Grant Application and Administration Services</td></tr><tr><td>Center for Contract Compliance</td><td>Certified payroll records for work by J. Orozco Enterprise Inc. dba Orozco Landscape and Tree Co. for Live Oak Landscape and Tree Maintenance Services, La Verne</td></tr><tr><td>City of Santa Ana</td><td>MWD organizational charts</td></tr></table>	<u>Requestor</u>	<u>Documents Requested</u>	AFSCME Local 1902 (2 requests)	(1) Records relating to employees who were granted the ability to telework full time; and (2) records over the past seven years regarding injuries, illnesses, or deaths reported for the OSHA 300 Log, per Title 29 of the Code of Federal Regulations Part 1904	APTIM	Proposals and scoring sheet for Request for Qualifications for On-Call Grant Application and Administration Services	Center for Contract Compliance	Certified payroll records for work by J. Orozco Enterprise Inc. dba Orozco Landscape and Tree Co. for Live Oak Landscape and Tree Maintenance Services, La Verne	City of Santa Ana	MWD organizational charts
<u>Requestor</u>	<u>Documents Requested</u>											
AFSCME Local 1902 (2 requests)	(1) Records relating to employees who were granted the ability to telework full time; and (2) records over the past seven years regarding injuries, illnesses, or deaths reported for the OSHA 300 Log, per Title 29 of the Code of Federal Regulations Part 1904											
APTIM	Proposals and scoring sheet for Request for Qualifications for On-Call Grant Application and Administration Services											
Center for Contract Compliance	Certified payroll records for work by J. Orozco Enterprise Inc. dba Orozco Landscape and Tree Co. for Live Oak Landscape and Tree Maintenance Services, La Verne											
City of Santa Ana	MWD organizational charts											



<u>Requestor</u>	<u>Documents Requested</u>
Labor Management Compliance Council (2 requests)	(1) Certified payroll for work by Steve Rados Inc. on the Wadsworth Pumping Plant Eastside Pipeline Intertie; and (2) inspector logs and certified payroll for work by Western Oilfields Supply Company dba Ran For Rent on the Perris Valley Pipeline Interstate 215 Crossing
LOR Geotechnical Group	Any geological records for Seven Oaks Dam located in San Bernardino County, including earthquake fault investigation reports
Private Citizens (3 requests)	(1) Emails between/among individuals in MWD human resources group and MWD's workers' compensation administrator Tristar; (2) Form 700s for past five years for MWD board members, General Manager, General Counsel, General Auditor, and Ethics Officer; and (3) MWD Request for Qualifications and all responses submitted for On-Site Inspection and Construction Center Administration Services
Sierra Club	Yield estimates and cost estimates for Delta tunnel, Sites, and Pure Water
Southern California Association of Governments	MWD's travel reimbursement policy for directors
ZipBuffalo	Purchase order data including purchase order number, purchase order date, line item details, line item quantity, line item price, vendor information from January 2022 to present, and list of current employees, including name, title, department, and contact information



PLEASE NOTE

- ADDITIONS ONLY IN THE FOLLOWING TWO TABLES WILL BE SHOWN IN RED.
- ANY CHANGE TO THE *OUTSIDE COUNSEL AGREEMENTS* TABLE WILL BE SHOWN IN REDLINE FORM (I.E., ADDITIONS, REVISIONS, DELETIONS).



Bay-Delta and SWP Litigation	
Subject	Status
Delta Conveyance Project CEQA Cases <i>City of Stockton v. California Department of Water Resources</i> <i>County of Butte v. California Department of Water Resources</i> <i>County of Sacramento v. California Department of Water Resources</i> <i>County of San Joaquin et al. v. California Department of Water Resources</i> <i>Sacramento Area Sewer District v. California Department of Water Resources</i> <i>San Francisco Baykeeper, et al. v. California Department of Water Resources</i> <i>Sierra Club, et al. v. California Department of Water Resources</i> <i>South Delta Water Agency and Rudy Mussi Investment L.P. v. California Department of Water Resources</i> <i>Tulare Lake Basin Water Storage District v. California Department of Water Resources</i> Sacramento County Superior Ct. (Judge Acquisto)	<ul style="list-style-type: none"> DWR is the only named respondent/defendant All alleged CEQA violations Most allege violations of the Delta Reform Act, Public Trust Doctrine and Delta and Watershed Protection Acts Two allege violations of the fully protected bird statute One alleges violations of Proposition 9 (1982) and the Central Valley Project Act Deadline for DWR to prepare the administrative record extended to Sept. 30<u>Nov 29</u>, 2024 Next case management conference Oct. 18, 2024 June 20, 2024 trial court issued a preliminary injunction halting pre-construction geotechnical soil testing until DWR certifies that the DCP is consistent with the Delta Plan Aug. 19, 2024 DWR appealed the injunction Aug. 23, 2024 trial court denied DWR's motion to modify or stay the preliminary injunction Aug. 29, 2024 DWR filed a petition in the court of appeal seeking to stay the preliminary injunction pending a ruling on the merits of its appeal Sept. 13, 2024 deadline to file oppositions to DWR's stay petition <u>filed. Ruling on stay request pending as of Sept. 30, 2024</u>
Delta Conveyance Project Water Right Permit Litigation <i>Central Delta Water Agency et al. v. State Water Resources Control Board</i> Fresno County Superior Court (Judge Hamilton)	<ul style="list-style-type: none"> Complaint filed April 16, 2024, alleges that the State Water Board must rule on DWR's 2009 petition to extend the time to perfect its State Water Project rights before the State Water Board may begin to adjudicate DWR's petition to change its water rights to add new points of diversion for the Delta Conveyance Project Sept. 19 hearing date for State Water Resources Control Board demurrer (motion to dismiss) and motion to strike and DWR's demurrer (motion to dismiss) <u>taken off calendar by court-entered stipulation of the parties after DWR withdrew the 2009 petition to extend its SWP water rights</u>



Subject	Status
<p>Consolidated DCP Revenue Bond Validation Action and CEQA Case</p> <p><i>Sierra Club, et al. v. California Department of Water Resources</i> (CEQA, designated as lead case)</p> <p><i>DWR v. All Persons Interested</i> (Validation)</p> <p>Sacramento County Superior Ct. (Judge Kenneth C. Mennemeier)</p> <p>3d District Court of Appeal Case No. C100552</p>	<ul style="list-style-type: none"> • Validation Action • Final Judgment and Final Statement of Decision issued January 16, 2024 ruling the bonds are not valid • DWR, Metropolitan and other supporting public water agencies filed Notices of Appeal on or before the February 16, 2024 deadline • Eight opposing groups filed Notices of Cross Appeals by March 27, 2024 • April 16, 2024 DWR moved to dismiss the cross appeals as untimely • Oct. 25, 2024 deadline for DWR's and Supporting Public Water Agencies' Opening Brief and Appellants' Appendix
<p>SWP-CVP 2019 BiOp Cases</p> <p><i>Pacific Coast Fed'n of Fishermen's Ass'ns, et al. v. Raimondo, et al.</i> (PCFFA)</p> <p><i>Calif. Natural Resources Agency, et al. v. Raimondo, et al.</i> (CNRA)</p> <p>Federal District Court, Eastern Dist. of California, Fresno Division (Judge Thurston)</p>	<ul style="list-style-type: none"> • SWC intervened in both <i>PCFFA</i> and <i>CNRA</i> cases • Federal defendants reinitiated consultation on Oct 1, 2021 • March 28, 2024 order extending the Interim Operations Plan and the stay of the cases through the issuance of a new Record of Decision or December 20, 2024, whichever is first
<p>CESA Incidental Take Permit Cases</p> <p>Coordinated Case Name <i>CDWR Water Operations Cases</i>, JCCP 5117 (Coordination Trial Judge Gevercer)</p> <p><i>Metropolitan & Mojave Water Agency v. Calif. Dept. of Fish & Wildlife, et al.</i> (CESA/CEQA/Breach of Contract)</p> <p><i>State Water Contractors & Kern County Water Agency v. Calif. Dept. of Fish & Wildlife, et al.</i> (CESA/CEQA)</p> <p><i>Tehama-Colusa Canal Auth., et al. v. Calif. Dept. of Water Resources</i> (CEQA)</p> <p><i>San Bernardino Valley Municipal Water Dist. v. Calif. Dept. of Water Resources, et al.</i> (CEQA/CESA/ Breach of Contract/Takings)</p> <p><i>Sierra Club, et al. v. Calif. Dept. of Water Resources</i> (CEQA/Delta Reform Act/Public Trust)</p>	<ul style="list-style-type: none"> • Administrative records certified in October 2023 • Order entered to delay setting a merits briefing schedule by 90 days and extending the time to bring the action to trial by six months • Deadline to bring all the coordinated cases to trial is now December 5, 2025



Subject	Status
<p><i>North Coast Rivers Alliance, et al. v. Calif. Dept. of Water Resources</i> (CEQA/Delta Reform Act/Public Trust)</p> <p><i>Central Delta Water Agency, et. al. v. Calif. Dept. of Water Resources</i> (CEQA/Delta Reform Act/Public Trust/ Delta Protection Acts/Area of Origin)</p> <p><i>San Francisco Baykeeper, et al. v. Calif. Dept. of Water Resources, et al.</i> (CEQA/CESA)</p>	
<p>CDWR Environmental Impact Cases Sacramento Superior Ct. Case No. JCCP 4942, 3d DCA Case No. C100302 (20 Coordinated Cases)</p> <p>Validation Action <i>DWR v. All Persons Interested</i></p> <p>CEQA 17 cases</p> <p>CESA/Incidental Take Permit 2 cases</p> <p>(Judge Arguelles)</p>	<ul style="list-style-type: none"> • Cases dismissed after DWR rescinded project approval, bond resolutions, decertified the EIR, and CDFW rescinded the CESA incidental take permit • January 10, 2020 – Nine motions for attorneys’ fees and costs denied in their entirety • May 11, 2022, court of appeal reversed the trial court’s denial of attorney fees and costs • Coordinated cases remitted to trial court for re-hearing of fee motions consistent with the court of appeal’s opinion • Dec. 26, 2023 order denying fee motions • Six notices of appeal filed • Oct. 9, 2024 deadline for appellants’ opening briefs and appendices
<p>COA Addendum/ No-Harm Agreement</p> <p><i>North Coast Rivers Alliance v. DWR</i> Sacramento County Superior Ct. (Judge Rockwell)</p>	<ul style="list-style-type: none"> • Plaintiffs allege violations of CEQA, Delta Reform Act & public trust doctrine • Westlands Water District and North Delta Water Agency granted leave to intervene • Metropolitan & SWC monitoring • Deadline to prepare administrative record last extended to Nov. 18, 2022
<p>Water Management Tools Contract Amendment</p> <p><i>California Water Impact Network et al. v. DWR</i> Sacramento County Superior Ct. (Judge Acquisto)</p> <p><i>North Coast Rivers Alliance, et al. v. DWR</i> Sacramento County Super. Ct. (Judge Acquisto)</p>	<ul style="list-style-type: none"> • Filed September 28, 2020 • CWIN and Aqualliance allege one cause of action for violation of CEQA • NCRA et al. allege four causes of action for violations of CEQA, the Delta Reform Act, Public Trust Doctrine and seeking declaratory relief • SWC motion to intervene in both cases granted



Subject	Status
	<ul style="list-style-type: none">Dec. 20, 2022 DWR filed notice of certification of the administrative record and filed answers in both cases



<i>San Diego County Water Authority v. Metropolitan, et al.</i>		
Cases	Date	Status
2014, 2016	Sept. 30	Based on the Court of Appeal's Sept. 21 opinion (described above), and the Board's Sept. 28 authorization, Metropolitan paid \$35,871,153.70 to SDCWA for 2015-2017 Water Stewardship Rate charges under the Exchange Agreement and statutory interest.
2017	July 23, 2020	Dismissal without prejudice entered.
2018	April 11, 2022	Court entered order of voluntary dismissal of parties' WaterFix claims and cross-claims.
2014, 2016, 2018	June 11, 2021	Deposition of non-party witness.
	Aug. 25	Hearing on Metropolitan's motion for further protective order regarding deposition of non-party witness.
	Aug. 25	Court issued order consolidating the 2014, 2016, and 2018 cases for all purposes, including trial.
	Aug. 30	Court issued order granting Metropolitan's motion for a further protective order regarding deposition of non-party witness.
	Aug. 31	SDCWA filed consolidated answer to Metropolitan's cross-complaints in the 2014, 2016, and 2018 cases.
	Feb. 22	Metropolitan and SDCWA each filed motions for summary adjudication.
	April 13	Hearing on Metropolitan's and SDCWA's motions for summary adjudication.
	May 4	Court issued order granting Metropolitan's motion for summary adjudication on cross-claim for declaratory relief that the conveyance facility owner, Metropolitan, determines fair compensation, including any offsetting benefits; and denying its motion on certain other cross-claims and an affirmative defense.
	May 11	Court issued order granting SDCWA's motion for summary adjudication on cross-claim for declaratory relief in the 2018 case regarding lawfulness of the Water Stewardship Rate's inclusion in the wheeling rate and transportation rates in 2019-2020; certain cross-claims and affirmative defenses on the ground that Metropolitan has a duty to charge no more than fair compensation, which includes reasonable credit for any offsetting benefits, with the court also stating that whether that duty arose and whether Metropolitan breached that duty are issues to be resolved at trial; affirmative defenses that SDCWA's claims are untimely and SDCWA has not satisfied claims presentation requirements; affirmative defense in the 2018 case that SDCWA has not satisfied contract dispute resolution requirements; claim, cross-claims, and affirmative defenses regarding applicability of



Cases	Date	Status
2014, 2016, 2018 (cont.)		Proposition 26, finding that Proposition 26 applies to Metropolitan's rates and charges, with the court also stating that whether Metropolitan violated Proposition 26 is a separate issue; and cross-claims and affirmative defenses regarding applicability of Government Code section 54999.7, finding that section 54999.7 applies to Metropolitan's rates. Court denied SDCWA's motion on certain other cross-claims and affirmative defenses.
	May 16-27	Trial occurred but did not conclude.
	June 3, June 24, July 1	Trial continued, concluding on July 1.
	June 24	SDCWA filed motion for partial judgment.
	July 15	Metropolitan filed opposition to motion for partial judgment.
	Aug. 19	Post-trial briefs filed.
	Sept. 14	Court issued order granting in part and denying in part SDCWA's motion for partial judgment (granting motion as to Metropolitan's dispute resolution, waiver, and consent defenses; denying motion as to Metropolitan's reformation cross-claims and mistake of fact and law defenses; and deferring ruling on Metropolitan's cost causation cross-claim).
	Sept. 21	Metropolitan filed response to order granting in part and denying in part SDCWA's motion for partial judgment (requesting deletion of Background section portion relying on pleading allegations).
	Sept. 22	SDCWA filed objection to Metropolitan's response to order granting in part and denying in part SDCWA's motion for partial judgment.
	Sept. 27	Post-trial closing arguments.
	Oct. 20	Court issued order that it will rule on SDCWA's motion for partial judgment as to Metropolitan's cost causation cross-claim simultaneously with the trial statement of decision.
	Dec. 16	Parties filed proposed trial statements of decision.
	Dec. 21	SDCWA filed the parties' stipulation and proposed order for judgment on Water Stewardship Rate claims for 2015-2020.
	Dec. 27	Court entered order for judgment on Water Stewardship Rate claims for 2015-2020 as proposed by the parties.
	March 14, 2023	Court issued tentative statement of decision (tentatively ruling in Metropolitan's favor on all claims litigated at trial, except for those ruled to be moot based on the rulings in Metropolitan's favor)



Cases	Date	Status
2014, 2016, 2018 (cont.)	March 14	Court issued amended order granting in part and denying in part SDCWA's motion for partial judgment (ruling that Metropolitan's claims for declaratory relief regarding cost causation are not subject to court review).
	March 29	SDCWA filed objections to tentative statement of decision
	April 3	Metropolitan filed response to amended order granting in part and denying in part SDCWA's motion for partial judgment (requesting deletion of Background section portion relying on pleading allegations).
	April 25	Court issued statement of decision (ruling in Metropolitan's favor on all claims litigated at trial, except for those ruled to be moot based on the rulings in Metropolitan's favor)
	Jan. 10, 2024	Parties filed joint status report and stipulated proposal on form of judgment
	Jan. 17	Court issued order approving stipulated proposal on form of judgment (setting briefing and hearing)
	April 3	Court entered final judgment
	April 3	Court issued writ of mandate regarding demand management costs
	April 3	SDCWA filed notice of appeal
	April 17	Metropolitan filed notice of cross-appeal
	May 3	Participating member agencies filed notice of appeal
	May 31	Parties filed opening briefs on prevailing party
	June 28	Parties filed response briefs on prevailing party
	July 17	Court issued tentative ruling that there is no prevailing party due to mixed results
	July 18	Hearing on prevailing party; court took matter under submission, stating it expects to rule in mid-Aug.
	<u>Aug. 15</u>	<u>Court issued ruling that Metropolitan is the prevailing party and is entitled to SDCWA's payment of its litigation costs and fees under the Exchange Agreement</u>
	<u>Sept. 25</u>	<u>Court issued order extending time for Metropolitan to file its memorandum of costs and motion for attorneys' fees</u>
	<u>Sept. 27</u>	<u>Metropolitan filed its memorandum of costs in the amount of \$372,788.64</u>



All Cases	April 15, 2021	Case Management Conference on 2010-2018 cases. Court set trial in 2014, 2016, and 2018 cases on May 16-27, 2022.
	April 27	SDCWA served notice of deposition of non-party witness.
	May 13-14	Metropolitan filed motions to quash and for protective order regarding deposition of non-party witness.
	June 4	Ruling on motions to quash and for protective order.



Outside Counsel Agreements				
Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Albright, Yee & Schmit, APC	Employment Matter	216064	06/24	\$100,000
Andrade Gonzalez LLP	MWD v. DWR, CDFW and CDNR Incidental Take Permit (ITP) CESA/CEQA/Contract Litigation	185894	07/20	\$250,000
Aleshire & Wynder	Oil, Mineral and Gas Leasing	174613	08/18	\$50,000
Anzel Galvan LLP	Bond Issues	220411	07/24	N/A
Atkinson Andelson Loya Ruud & Romo	Employee Relations	59302	04/04	\$1,316,937
	Delta Conveyance Project Bond Validation-CEQA Litigation	185899	09/21	\$250,000
	MWD Drone and Airspace Issues	193452	08/20	\$50,000
	AFSCME Local 1902 in Grievance No. 1906G020 (CSU Meal Period)	201883	07/12/21	\$30,000
	AFSCME Local 1902 v. MWD, PERB Case No. LA-CE-1438-M	201889	09/15/21	\$20,000
	MWD MOU Negotiations**	201893	10/05/21	\$100,000
BDG Law Group, APLC	Gutierrez v. MWD	216054	03/24	\$250,000
Best, Best & Krieger	Bay-Delta Conservation Plan/Delta Conveyance Project (with SWCs)	170697	08/17	\$500,000
	Environmental Compliance Issues	185888	05/20	\$100,000
	Grant Compliance Issues	211921	05/23	\$150,000
	Pure Water Southern California	207966	11/22	\$100,000
	Progressive Design Build	216053	04/24	\$250,000
Blooston, Mordkofsky, Dickens, Duffy & Prendergast, LLP	FCC and Communications Matters	110227	11/10	\$100,000
Buchalter, a Professional Corp.	Union Pacific Industry Track Agreement	193464	12/07/20	\$50,000



Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Burke, Williams & Sorensen, LLP	Real Property – General	180192	01/19	\$100,000
	Labor and Employment Matters	180207	04/19	\$75,000
	General Real Estate Matters	180209	08/19	\$200,000
	Rancho Cucamonga Condemnation Actions (Grade Separation Project)	207970	05/22	\$100,000
Law Office of Alexis S.M. Chiu*	Bond Counsel	200468	07/21	N/A
	Bond Counsel	220409	07/24	N/A
Castañeda + Heidelman LLP	Employment Matter	216055	04/24	\$100,000
Cislo & Thomas LLP	Intellectual Property	170703	08/17	\$100,000
Curls Bartling P.C.*	Bond Counsel	200470	07/21	N/A
Drooz Legal, LLP	Employment Matter	220402	08/24	\$100,000
Duane Morris LLP	SWRCB Curtailment Process	138005	09/14	\$615,422
Duncan, Weinberg, Genzer & Pembroke	Power Issues	6255	09/95	\$3,175,000
Ellison, Schneider, Harris & Donlan	Colorado River Issues	69374	09/05	\$175,000
	Issues re SWRCB	84457	06/07	\$200,000
Erin Joyce Law, PC	Employment Matter	216039	11/23	\$100,000
	<u>Ethics Advice</u>	<u>216058</u>	<u>05/24</u>	<u>\$100,000</u>
Glaser Weil Fink Howard Jordan & Shapiro	Employment Matter	220395	7/24	\$150,000
Greines, Martin, Stein & Richland LLP	SDCWA v. MWD	207958	10/22	\$100,000
	Colorado River Matters	207965	11/22	\$100,000
Hackler Flynn & Associates	Government Code Claim Advice	216059	5/24	\$150,000
Haden Law Office	Real Property Matters re Agricultural Land	180194	01/19	\$50,000



Hanna, Brophy, MacLean, McAleer & Jensen, LLP	Workers' Compensation	211926	06/23	\$200,000
Hanson Bridgett LLP	SDCWA v. MWD	124103	03/12	\$1,100,000
	Finance Advice	158024	12/16	\$100,000
	Deferred Compensation/HR	170706	10/17	\$500,000
	Tax Issues	180200	04/19	\$50,000
	Alternative Project Delivery (ADP)	207961	10/22	\$250,000
	Ad Valorem Property Taxes	216042	11/23	\$100,000
Harris & Associates	Employment Matter	220397	7/24	\$100,000
Hausman & Sosa, LLP	Jones v. MWD	216056	05/24	\$100,000
Hawkins Delafield & Wood LLP*	Bond Counsel	193469	07/21	N/A
	<u>Bond Counsel</u>	<u>220405</u>	<u>07/24</u>	<u>N/A</u>
Hemming Morse, LLP	Baker Electric v. MWD	211933	08/23	\$175,000
Hogan Lovells US LLP	Employment Matter	220400	07/24	\$100,000
Horvitz & Levy	SDCWA v. MWD	124100	02/12	\$1,250,000
	General Appellate Advice	146616	12/15	\$200,000
	Colorado River	203464	04/22	\$100,000
	Delta Conveyance Bond Validation Appeal	216047	03/24	\$25,000
	PFAS Multi-District Litigation – Appeal	216050	03/24	\$200,000
Innovative Legal Services, P.C.	Employment Matter	211915	01/19/23	\$125,000 <u>\$175,000</u>
Internet Law Center	Cybersecurity and Privacy Advice and Representation	200478	04/13/21	\$100,000
	Systems Integrated, LLC v. MWD	201875	05/17/21	\$100,000
Amira Jackmon, Attorney at Law*	Bond Counsel	200464	07/21	N/A



Jackson Lewis P.C.	Employment: Department of Labor Office of Contract Compliance	137992	02/14	\$45,000
Jones Hall, A Professional Law Corp*	Bond Counsel	200465	07/21	N/A
Kronenberger Rosenfeld, LLP	Systems Integrated, LLC v. MWD	211920	04/23	\$250,000
Kutak Rock LLP	Delta Islands Land Management	207959	10/22	\$10,000
Liebert Cassidy Whitmore	Labor and Employment	158032	02/17	\$240,821
	FLSA Audit	180199	02/19	\$50,000
	EEO Advice	216041	12/23	\$100,000 \$200,000
Lieff Cabraser Heimann & Bernstein, LLP	PFAS Multi-District Litigation	216048	03/24	\$200,000
Manatt, Phelps & Phillips	SDCWA v. MWD rate litigation	146627	06/16	\$4,400,000
	Raftelis-Subcontractor of Manatt, Agr. #146627: Per 5/2/22 Engagement Letter between Manatt and Raftelis, MWD paid Raftelis Financial Consultants, Inc.	Invoice No. 23949		\$56,376.64 for expert services & reimbursable expenses in SDCWA v. MWD
Marten Law LLP	PFAS Multi-District Litigation	216034	09/23	\$550,000
Meyers Nave Riback Silver & Wilson	Pure Water Southern California	207967	11/22	\$100,000
Miller Barondess, LLP	SDCWA v. MWD	138006	12/14	\$600,000
Morgan, Lewis & Bockius	SDCWA v. MWD	110226	07/10	\$8,750,000
	Project Labor Agreements	200476	04/21	\$100,000
Musick, Peeler & Garrett LLP	Colorado River Aqueduct Electric Cables Repair/Contractor Claims	193461	11/20	\$3,250,000
	Arvin-Edison v. Dow Chemical	203452	01/22	\$150,000
	Semitropic TCP Litigation	207954	09/22	\$75,000
	Employment Matter	216063	06/24	\$100,000
	Employment Matter	220417	08/24	\$100,000

Date of Report: October 3, 2024



Nixon Peabody LLP*	Bond Counsel [re-opened]	193473	07/21	N/A
	Special Finance Project	207960	10/22	\$50,000
	Bond Counsel	220404	07/24	N/A
Norton Rose Fulbright US LLP*	Bond Counsel	200466	07/21	N/A
	Bond Counsel	220407	7/24	N/A
Olson Remcho LLP	Government Law	131968	07/14	\$400,000
	Executive Committee/Ad Hoc Committees Advice	207947	08/22	\$60,000
	Advice/Assistance re Proposition 26/Election Issues	211922	05/23	\$100,000
<u>Robert P. Otilie</u>	<u>Employment Matter</u>	<u>220403</u>	<u>09/24</u>	<u>\$100,000</u>
Pearlman, Brown & Wax, L.L.P.	Workers' Compensation	216037	10/23	\$100,000
Procopio, Cory, Hargreaves & Savitch, LLP	CityWatch Los Angeles Public Records Act Request	216046	02/24	\$75,000
	Public Records Act Requests	220399	7/24	\$75,000
Renne Public Law Group, LLP	ACE v. MWD (PERB Case No. LA-CE-1574-M)	203466	05/22	\$100,000
	ACE v. MWD (PERB Case No. LA-CE-1611-M)	207962	10/22	\$50,000
	Employee Relations and Personnel Matters	216045	01/24	\$50,000
	<u>ACE v. MWD (PERB Case No. LA-CE-1729-M)</u>	<u>220421</u>	<u>09/24</u>	<u>\$35,000</u>
	<u>AFSCME v. MWD (PERB Case No. LA-CE-1733-M)</u>	<u>220422</u>	<u>09/24</u>	<u>\$35,000</u>
Ryan & Associates	Leasing Issues	43714	06/01	\$200,000
	Oswalt v. MWD	211925	05/23	\$100,000
	Unlawful Encroachment on Metropolitan Rights-of-Way	216065	06/24	\$100,000
Sanders Roberts LLP	Employment Matter	220401	7/24	\$100,000



Seyfarth Shaw LLP	Claim (Contract #201897)	201897	11/04/21	\$350,000
	Claim (Contract #203436)	203436	11/15/21	\$350,000
	Claim (Contract #203454)	203454	01/22	\$210,000
	Reese v. MWD	207952	11/22	\$750,000
	General Labor/Employment Advice	211917	3/23	\$100,000
	Civil Rights Department Complaint	211931	07/23	\$100,000
	Crawford v. MWD	216035	09/23	\$100,000
	Tiegs v. MWD	216043	12/23	\$250,000
	Zarate v. MWD	216044	01/24	\$250,000
	Lorentzen v. MWD	216036	09/23	\$100,000
Stradling Yocca Carlson & Rauth*	Bond Counsel	200471	07/21	N/A
	Bond Counsel	220408	7/24	N/A
Theodora Oringher PC	Construction Contracts - General Conditions Update	185896	07/20	\$100,000
Thompson Coburn LLP	NERC Energy Reliability Standards	193451	08/20	\$300,000
Van Ness Feldman, LLP	General Litigation	170704	07/18	\$50,000
	Colorado River MSHCP	180191	01/19	\$50,000
	Bay-Delta and State Water Project Environmental Compliance	193457	10/15/20	\$50,000
	Colorado River Issues	211924	05/23	\$100,000

*Expenditures paid by Bond Proceeds/Finance

**Expenditures paid by another group



Office of the General Auditor

• General Auditor's Report for September 2024

Summary

This report highlights significant activities of the Office of the General Auditor for the month ended September 30, 2024.

Purpose

Informational

Attachments

1. Operational Audit: Surplus Personal Property Process
2. First & Final Follow-up Review: Stores Inventory

Detailed Report

Audit & Advisory Projects

Twenty-six projects are in progress:

- Ten audit projects are in the report preparation phase, including:
 - One preliminary draft report issued (Sensis)
- Sixteen projects are in the execution phase, including nine audits and seven advisories; an entrance letter was issued this period for:
 - Colorado River Water Users Association: Agreed Upon Procedures

Work priority is being given to the nine (down one from last month) carryforward audits.

Follow-Up Reviews

Prior Years' Audits

- Six follow-up reviews are in the execution phase and two follow-up reviews are in the planning phase.

Current Year

- One follow-up review is pending management submission of the follow-up review form (Roesling Nakamura Terada Architects due 9/3/24).

Board Report (General Auditor's Report for September 2024)

Final Reports

1. **Operational Audit: Surplus Personal Property Process** (project number 22-3010) issued September 9, 2024
 - Audit scope included reviewing internal controls over the administration and accounting of the Surplus Personal Property process from July 1, 2018 to June 30, 2021.
 - Ten recommendations with the following ratings: one **Priority 1**, four **Priority 2**, and five **Priority 3**.
2. **First & Final Follow-up Review: Stores Inventory** (project number 21-1710) issued September 26, 2024
 - Audit scope included assessing the implementation status, as of December 31, 2023, of the one (1) recommendation made in the original audit, Report on Stores Inventory, dated April 29, 2021.
 - Management implemented the one (1) recommendation, which closes out the original audit.

Other General Auditor Activities

1. Adoption of Global Internal Audit Standards

Evaluation of the updated standards issued by the Institute of Internal Auditors, effective January 2025, is in process.

2. Internal Quality Assessment

Preparation for the annual internal quality assessment required by professional internal auditing standards is in progress; surveys were distributed to department staff, the Board, and management.

3. Senior Audit Manager Recruitment

Collaboration with Human Resources to fill this position is in progress.

4. External Auditor Support

Assistance to external auditor Macias Gini & O'Connell LLP continues in accordance with their work plan.



Office of the General Auditor

Operational Audit: Surplus Personal Property Process

Project Number: 22-3010
September 9, 2024

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Executive Summary

BACKGROUND

Metropolitan Administrative Code Sections 8270, 8271, and 8272, Operating Policies F-01 and F-02, and the Disposal of Surplus Personal Property procedures manual establish policies and procedures for identifying and disposing of surplus personal property (surplus property). Surplus property includes operating equipment, furniture, office machines, automobiles, trucks, machinery, heavy equipment, scrap, stock, refuse, stockpiled raw materials (including excavated materials), and recyclable material for which Metropolitan has no foreseeable use. Operating policies and procedures authorize the disposal of this property through web-based auctions, trade-ins with suppliers, recycling, and donations to outside entities.

The responsibility for identifying and disposing of surplus property has been assigned to the Administrative Services Section under the Assistant General Manager/Chief Financial Officer. The Contracting Services Unit and the Inventory Control Team are responsible for authorizing the disposal of surplus items and the Investment Recovery Coordinators direct the sale of these items to the auctioneer (see Appendix A: Additional Information), direct buyers, and scrap dealers.

From July 1, 2018 through June 30, 2021, Metropolitan retired 1,262 surplus items totaling \$9.3 million (cost basis), with a net book value of \$23,000. The proceeds from selling these items totaled \$865,000, with a net gain of \$842,000. Of this amount, surplus equipment covered by this review that was retired totaled 1,116 items (\$5.5 million in cost basis), with a net book value of \$13,000, proceeds of \$59,000, and a net gain of \$46,000.

WHAT WE DID

Our audit scope included the Surplus Personal Property process from July 1, 2018 to June 30, 2021.

Our audit objectives were to:

- (1) Determine if surplus personal property was properly authorized, properly transferred, and securely stored.
- (2) Determine if the surplus personal property auction process was properly managed, auction vendor was qualified, and surplus program costs and expenses were properly accounted for.
- (3) Determine if auction proceeds were properly accounted for, auction charges were accurate, and auctioned surplus was properly released.
- (4) Determine if auctioned surplus property was properly retired and unsold leftover property was properly accounted for.
- (5) Determine if certain governmental tax regulations were adhered to.

WHAT WE CONCLUDED

- (1) While surplus personal property was securely stored pending disposition, improvements should be implemented to ensure proper surplus personal property authorization and transfer.
- (2) While the auction vendor was qualified, improvements should be implemented to ensure proper management of the surplus auction process and proper accounting of program costs and expenses.
- (3) Auction proceeds were properly accounted for, auction charges were accurate, and auction surplus was properly released.
- (4) Improvements should be implemented to ensure the auctioned surplus property is properly retired and unsold leftover property is properly accounted for.
- (5) Improvements should be implemented to ensure compliance with government regulations for tax-exempt surplus buyers.

WHAT WE RECOMMEND

We recommend Metropolitan: (1) change the bidding contract language and check for employees making District auction purchases; (2) enhance EForm download and reporting capabilities and develop reconciliation procedures; (3) explore implementing a surplus property management system; (4) develop procedures for processing post-auction/unsold leftover surplus items; (5) change auction deposit procedures; (6) update the operating policies and the surplus procedures manual; (7) implement new procedures for asset transfer and retirement; (8) review applicable surplus transactions for copies of resale certificates and proof of validation of seller's permit; (9) implement procedures for proper completion/authorization for surplus documentation, and (10) obtain guidance from the Controller Section on proper accounting of the surplus program expenses.

Management agreed with our observations and recommendations.

NUMBER OF RECOMMENDATIONS



PRIORITY 1
Response time:
Immediate



PRIORITY 2
Response time:
Within 90 days



PRIORITY 3
Response time:
Within 180 days



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Date: September 9, 2024
To: Executive Committee
From: Scott Suzuki, CPA, CIA, CISA, CFE, General Auditor
Subject: Operational Audit: Surplus Personal Property Process
(Project No. 22-3010)

This report presents the results of our audit of the Surplus Personal Property process.

Results, including our observations and recommendations, follow this letter. Supplemental information, including our scope and objectives, is included in Appendix A. Appendix B includes a description of our new recommendation priority rating system. Finally, management's response to our audit is now included in Appendix C.

We appreciate the cooperation and courtesies provided by the Office of the General Manager and the Finance & Administration Group.

The results in this report will be summarized for inclusion in status reports to the Board. If you have any questions regarding our review, please do not hesitate to contact me directly at 213.217.6528 or Deputy General Auditor Kathryn Andrus at 213.217.7213.

Attachments

cc: Board of Directors
Interim General Manager
General Counsel
Ethics Officer
Office of the General Manager Distribution
Assistant General Managers
Finance & Administration Distribution
External Auditor

RESULTS

RECOGNITION

Positive aspects observed during our audit include:

- The surplus warehouse (Building 32) in La Verne was secured and maintained properly, with access limited to authorized personnel.
- EForm 2199 (Authority to Sell) was approved properly when required.
- The auction vendor was qualified to hold a surplus auction online.
- Surplus information was entered correctly, and the bidding instructions were properly posted on the auction vendor platform.
- The winning bidder was the highest bidder for the auctioned surplus.
- Auction proceeds were accounted for, charges were verified, and the surplus was adequately released by staff.
- Auction proceeds were deposited and recorded properly.
- Gain on sale of surplus exceeds 3,687% of net book value (purchase cost less accumulated depreciation).

RESULTS OVERVIEW

	OBSERVATION	RISK	RECOMMENDATION	MANAGEMENT AGREEMENT
PRIORITY 1				
1	An employee participated in Metropolitan's personal surplus property auctions.	Conflict of interest Adverse impact on Metropolitan's reputation	Change bidding contract language. Check for employees making Metropolitan auction purchases.	Agree
PRIORITY 2				
2	There was no surplus inventory list, and Internal Shipment Packing List data was manually input to Excel spreadsheets and not reconciled to Authority to Sell EForm data.	Inaccurate or invalid surplus property data Assets surplusd without authorization Asset misappropriation Inefficient resource usage	Enhance EForm download and reporting capabilities. Develop reconciliation procedures. Explore implementing a surplus property management system.	Agree Agree
3	Unsold surplus was not tracked if reauctioned, repurposed, or thrown away.	Asset misappropriation	Develop procedures for processing post-auction/unsold leftover surplus items.	Agree



	OBSERVATION	RISK	RECOMMENDATION	MANAGEMENT AGREEMENT
PRIORITY 2 (CON'T)				
4	Surplus property was not transferred, auctioned, and retired in the correct order or was processed after extended periods.	Inaccurate accounting records Theft/irregularities	Implement new procedures for asset transfer and retirement.	Agree
PRIORITY 3				
5	Auction proceeds were not deposited in a timely manner.	Lost checks Lost interest income	Change auction deposit procedures.	Agree
6	Operating policies F-01 and F-02 and the surplus procedures manual were not updated.	Lack of accountability Reduced efficiency/quality Increased errors/irregularities	Update the operating policies and the surplus procedures manual.	Agree
7	Resale certificates, seller's permits, and online documentation of a valid seller's permit were not on file when required.	Fines Tax liabilities	Review applicable surplus transactions for copies of resale certificates and proof of validation of seller's permit.	Agree
8	Internal Shipment Packing List EForms were incomplete, unapproved, or missing.	Assets surplusd without authorization Lack of accountability Incomplete data to track, process, and reconcile surplus property	Implement procedures for proper completion/authorization for surplus documentation.	Agree
9	Program expense and labor charge accounting does not result in an accurate total cost of program operation.	Inappropriate charges to the surplus program Inaccurate program operation cost	Obtain guidance from the Controller Section on proper accounting of surplus program expenses.	Agree



OBSERVATIONS & RECOMMENDATIONS

1 Employee Auction Purchases

An employee participated in Metropolitan's personal surplus property auctions.

Metropolitan's Administrative Code Section 8272 and Operating Policy F-02, Section 5, establish that District directors and employees, their spouses, and dependent children may not make an exchange for or purchase surplus personal property from the District and prohibit them from receiving any of Metropolitan's surplus personal property.

We reviewed the auction vendor's Surplus Sold report for the audit period (July 1, 2018 through June 30, 2021) against Human Resources' employee data file through June 30, 2021.

An employee purchased Metropolitan's surplus equipment (totaling \$3,938), which was sold through internet auctions in May 2019 and October 2020. The surplus equipment includes a 1995 GMC 3500 Stakebed Pickup, Comer Rotary Mower, and Shulte XH600 Mower.

Priority 1

Employee purchases of surplus District property are a conflict of interest and could result in an adverse impact on Metropolitan's reputation.

Recommendation 1

We recommend the Contracting Services Unit:

- (1) Add language to the bidding contract stating that Metropolitan employees may not make auction purchases.
- (2) Periodically check auction purchasers against the employee database.

Management Response

Agree.

Process Changed.

- (1) Investment Recovery incorporated the following highlighted wording into the description of every auction posting.

"Per MWD Operating Policy F-02...Directors, employees, their spouses, and dependent children are prohibited from receiving directly or indirectly, any surplus Metropolitan personal property."

- (2) Inventory Control Team Manager will check auction sales to ensure MWD employees have not purchased equipment after every auction. If we find an employee purchased equipment, we will proceed to cancel the sale.

Management's action plans for (1) and (2) were implemented in February 2022 and April 2024 respectively.



2 Surplus Inventory and Data

There was no surplus inventory list, and Internal Shipment Packing List data was manually input to Excel spreadsheets and not reconciled to Authority to Sell Eform data.

Surplused items are stored at a warehouse; however, there is no list of items on hand. As a result, it is not possible to determine what items should physically be in the warehouse at any given time.

When an item is ready for surplus, the surplus requester completes and signs Eform 2312 (Internal Shipment Packing List) and submits it to their supervisor or manager for approval. When a surplus item is ready to be sold, Eform 2199 (Authority to Sell) is completed and approved. However, Eform 2312 is not reconciled with Eform 2199 to ensure the surplus item received matches the item for auction, reauction, repurpose, or to be thrown away.

Eform 2312 data is manually input into Excel spreadsheets to prepare and document the surplus for auction and Eform 2199 is prepared using these same spreadsheets.

Priority 2

Without a surplus inventory list and reconciliations, there could be inaccurate or invalid surplus property data and assets could be misappropriated or surplused without authorization. Additionally, manual data input is an inefficient use of resources.

Recommendation 2

We recommend the Contracting Services Unit:

- (1) In conjunction with the Eform Administrator, enhance Eform 2312 download and reporting capabilities, eliminating the need to manually input data into Excel spreadsheets to prepare the surplus for auction and provide inventory reporting.
- (2) Develop reconciliation procedures for Eform 2312 and Eform 2199.

Management Response

Agree.

- (1) Investment Recovery will work with the Eforms team to explore the possibility of automatically extracting information from e-forms into Excel. This enhancement is expected to significantly benefit the team. Also, Investment Recovery staff upgraded from PCs to laptops, eliminating the need for manual entry of every barcode.
- (2) Reconciliation procedure will be developed for E-form 2312 and 2199.

The estimated implementation date for (1) is February 2025 (if extraction option is possible) and (2) is February 2025.

Recommendation 3

We recommend the Contracting Services Unit explore implementing a surplus property management system to create and maintain complete and accurate surplus inventory and disposition records. This system would capture the Eform 2312 information and provide accurate inventory and disposition reports.



Management Response**Agree.**

Process Changed – Staff is utilizing Oracle notes for the team to document asset transfers into our database. Staff can now track whether an asset has been sold or is currently in our facility undergoing preparation for auction, providing real-time visibility into our inventory status.

Management's action plan was implemented in February 2022.

3 Post-Auction/ Unsold Leftover Surplus

Unsold surplus was not tracked if reauctioned, repurposed, or thrown away.

Once an auction is completed, unsold leftover items require additional handling.

- (1) Unsold auctioned surplus is not tracked, whether reauctioned, repurposed, or thrown away.
- (2) There are no disposition records, and management approval could not be found, e.g., one item was sent to auction twice, went unsold, and was thrown into the garbage without management approval.

Priority 2

Inadequate handling procedures for unsold surplus items could result in asset misappropriation.

Recommendation 4

We recommend the Contracting Services Unit develop procedures for processing post-auction/unsold leftover surplus items, including documentation and approval.

Management Response**Agree.**

- (1) Process Changed – Investment Recovery developed a new e-Form titled "Authority to Dispose of Equipment." This form mandates that all equipment slated for scrapping, e-waste disposal, or any form of disposal must be approved by the Inventory Control Team manager.
- (2) Additionally, Investment Recovery will draft a comprehensive procedure to establish clear and proper steps for this process.

Management's action plan for (1) was implemented in April 2024. The estimated implementation date for (2) is February 2025.



4 Surplus Transfer and Retirement

Surplus property was not transferred, auctioned, and retired in the correct order or was processed after extended periods.

The correct order to process surplus property is: (1) transfer authorized asset to salvage, (2) auction authorized asset, (3) remove auctioned asset from accounting system (retire).

We reviewed 1,875 surplus items auctioned online through the contractor web platform from July 1, 2018 through June 30, 2021:

- (1) Seventeen of 1,875 (1%) were auctioned one to 25 months before being transferred to the Salvage Techs/other staff in the Oracle Fixed Assets (OFA) system.
- (2) One hundred fifty-one of 1,875 (8%) were auctioned long after (11 to 210 months) being transferred to Investment Recovery in the OFA system.
- (3) One hundred three of 1,875 (6%) were retired 12 to 208 months before they were auctioned.
- (4) One hundred sixty-five of 1,875 (9%) were retired long after (16 to 39 months) the auction.
- (5) Six hundred twenty-two of 1,875 (33%) items auctioned between July 2018 and June 2021 were not retired in the OFA system as of January 31, 2022. As a result of our audit, the Controller's Section retired all these assets in the system in February 2022.

Priority 2

Incorrect surplus property processing could result in inaccurate accounting records or theft/irregularities.

Recommendation 5

We recommend the Contracting Services Unit implement procedures for annual auctions and to ensure assets may not be:

- (1) Auctioned unless transferred to salvage.
- (2) Retired until auctioned or disposed of.

Management Response

Agree.

Process Changed

[Internal Audit Note: numbering in the management response below aligns to numbering in our observation above]

- (1) Timely database entry: All barcoded assets are promptly transferred into our database upon receipt at our facility. During this transfer, we assign a future IR# and utilize the packing slip # as an identifier. This ensures that our records are organized and accurately documented for subsequent sales.
- (2) & (3) Handling retired assets: Occasionally, the Investment Recovery team receives assets that have already been retired, often due to associated incident reports. Now, upon receipt of a previously retired asset, we request the controller's team to reactivate it for auctioning purposes.



Once the equipment is successfully auctioned and payment is received, we will then request it to be retired again.

- (4) & (5) On researching findings 4 and 5, it was found that Investment Recovery requested retirement of assets via email to the Controller's office, yet the assets were not retired. To rectify this, we now require a confirmation email form the Controller's office upon asset retirement.

Management's action plans for (1) and (2) of the recommendation were implemented in February 2022 and April 2024 respectively.

5 Auction Proceeds

Auction proceeds were not deposited in a timely manner.

After auctions are completed, the auction contractor remits proceeds to the Investment Recovery Coordinators at Metropolitan. As a non-authorized receiving agent, the Investment Recovery Coordinators remit the auction proceeds directly to the Treasury Unit; however, the Investment Recovery Coordinators remitted all collections between November 2018 and August 2021 (totaling \$1,248,887) between 14 and 42 days after the check date.

Priority 3

Delayed check deposits could result in lost checks or lost interest income.

Recommendation 6

We recommend the Contracting Services Unit change the auction deposit procedures so that auction proceeds are remitted to the Treasury Unit within three business days of receiving them from the auction vendor.

Management Response

Agree.

Process Changed – Staff has implemented the three-day requirement.

Management's action plan was implemented in April 2024.

6 Policies & Procedures

Operating policies F-01 and F-02 and the surplus procedures manual were not updated.

Metropolitan's Administrative Code, operating policies, and procedures manual establish the policies and procedures for identifying and disposing of surplus personal property. They include:

- Administrative Code Section 8271 (Disposal of Surplus Personal Property)
- Administrative Code Section 8272 (Acceptable Bidders on Disposal of Surplus Personal Property)
- Operating Policy F-01 (Operating, Expensed, and Capital Equipment)



- Operating Policy F-02 (Disposal of Surplus Personal Property)
- Disposal of Surplus Personal Property procedures manual

We reviewed the Administrative Code, operating policies, and procedures manual for surplus. The Contracting Services Unit last updated Operating Policy F-01, Operating Policy F-02, and the Disposal of Surplus Property procedures manual in May 2002, December 2014, and July 2014, respectively.

These policies and procedures no longer reflect current practices and organizational changes. The differences noted include selling surplus through internet auctions, online payment by the winning bidder, Paymac remittances of surplus proceeds, picking up of sold surplus at the La Verne facility, and reassigning equipment tracking and monitoring to the Administrative Services Section.

Priority 3

Outdated policies and procedures could result in a lack of accountability, reduced efficiency/quality, or increased errors/irregularities.

Recommendation 7

We recommend the Contracting Services Unit update Operating Policies F-01 and F-02 and the Disposal of Surplus Property procedures manual to include current practices and organizational changes.

Management Response

Agree.

Investment Recovery is currently in the process of revising Operating Policies F-01, F-02 and procedures to accurately reflect current practices.

The estimated implementation date is February 2025 (dependent on various stakeholder participation).

7 Resale Certificates and Valid Seller's Permits

Resale certificates, seller's permits, and online documentation of a valid seller's permit were not on file when required.

California Revenue and Taxation Code (Article 3, Section 6091) requires that all gross receipts are subject to tax until the contrary is established, e.g., seller takes a California resale certificate from the purchaser. The seller should verify the validity of the California purchaser's seller's permit.

We reviewed the California resale certificates and seller's permits for all 29 tax-exempt buyers from July 1, 2018 through June 30, 2021:

- (1) For two California purchasers, the California Resale Certificates and a copy of the seller's permit (or documentation of online validation of the seller's permit) could not be provided.
- (2) For 15 California purchasers with a valid seller's permit, the California Resale Certificates could not be provided.



- (3) For five California purchasers with a California Resale Certificate, a copy of the seller's permit (or documentation of online validation of the seller's permit) could not be provided.

Priority 3

Inadequate records for tax-exempt transactions could result in fines or tax liabilities.

Recommendation 8

We recommend the Contracting Services Unit ensure copies of resale certificates and proof of validation of the seller's permit are obtained during the sales transaction for applicable surplus transactions.

Management Response

Agree.

Process changed – To enhance internal controls, Investment Recovery has taken the necessary steps to remove tax-exempt status from all our buyers. Buyers have been instructed to resubmit the required paperwork. Upon submission, we now meticulously verify applicable information using the State of California website and securely store relevant documents within bidder profiles.

Management's action plan was implemented in February 2022.

8 Surplus Documentation

Internal Shipment Packing List EForms were incomplete, unapproved, or missing.

EForm 2312 documents the reason surplus personal property is no longer needed, and approval for salvage is required for salvage processing.

We reviewed 60 surplus transactions:

- (1) For 17 of 60 (28%), EForm 2312 could not be provided. In addition, per the Investment Recovery Coordinator, some non-barcode deliveries were not attached with EForm 2312.
- (2) For 19 of 60 (32%), the receiver did not sign EForm 2312.
- (3) For seven of 60 (12%), the requester's manager did not approve EForm 2312.
- (4) For 17 of 60 (28%), EForm 2312 was incomplete. It was missing information, including the description, quantity, transfer date, equipment status, parts removed, hard drive removed, recipient, and/or date shipped.

Priority 3

Inadequate surplus property records could result in assets surplus without authorization, lack of accountability, or incomplete data to track, process, and reconcile surplus property.

Recommendation 9

We recommend the Contracting Services Unit implement procedures that require a properly completed/authorized EForm 2312 for Pony Express drivers to pick up surplus items or to be accepted for receipt.

Management Response

Agree.



Process changed – Investment Recovery successfully updated our e-Forms to include tracking capabilities for items transported via the pony drivers, particularly focusing on deliveries for Investment Recovery. Utilizing electronic tracking, we monitor all e-Forms from sender to pony delivery, ensuring confirmation of receipt. Upon receipt by Investment Recovery, we transfer all assets and diligently sign each e-Form received.

Management's action plan was implemented in June 2022.

9 Surplus Program Expenditures

Program expense and labor charge accounting does not result in an accurate total cost of program operation.

We reviewed the surplus program expenditures recorded in Project 900980 (Contracting Services Unit) from July 1, 2018 through June 30, 2021:

- (1) The surplus program expenditures are not recorded to a single Task or Org type under Project 900980.
- (2) The Investment Recovery Coordinators and support staff working on the surplus program charge their labor hours to a Task or Org type for the team to which they belong.
- (3) One Investment Recovery Coordinator (assigned as a senior administrative analyst) had 3,859 labor hours charged to Task 53054 (Materials Management)/Org type 00980 (Contracting Services Unit) and 1,908 hours to Task 53054 (Materials Management)/Org type 01106 (Inventory Management Team) when performing surplus and inventory management, respectively.
- (4) Another Investment Recovery Coordinator (assigned as a storekeeper) had 1,645 labor hours charged to Task 53054 (Materials Management)/Org 01106 (Inventory Management Team) and 3,166 hours to Task 53054 (Materials Management)/Org 01263 (Warehousing Team).
- (5) The Pony Express drivers that occasionally pick up surplus from various locations have their labor hours charged to Task 53054 (Materials Management)/Org 01263 (Warehousing Team). The surplus pick-ups are in conjunction with their regular runs.

Priority 3

Inadequate timekeeping and cost accounting could result in inappropriate charges to the surplus program and inaccurate program operation cost.

Recommendation 10

We recommend the Contracting Services Unit:

- (1) Obtain guidance from the Controller's Section on using a single Task or Org type under Project 900980 to record all surplus program expenditures.
- (2) Ensure the staff time and other related surplus expenses are charged to a single Task or Org type established for the surplus program under Project 900980.



- (3) Review and analyze the cost reports periodically to ensure the costs charged to the surplus program are appropriate.

Management Response

Agree.

All activities undertaken by both the Investment Recovery and pony driver staff fall under the umbrella of materials management. Historically, our staff has not segmented their time by task.

To address this, Inventory Control will reach out to the Finance office to seek clarification on the appropriate method for time entry.

The estimated implementation date is February 2025 (if changes are needed).

EVALUATION OF MANAGEMENT'S RESPONSE

Internal Audit considers management's response appropriate to the recommendations and management's corrective actions should resolve the conditions identified in the report.

AUDIT TEAM

Kathryn Andrus, CPA, Deputy General Auditor
Leo Roldan, CPA, CIA, CGMA, Principal Auditor



APPENDIX A: SUPPLEMENTAL INFORMATION

ADDITIONAL INFORMATION

Auction Vendor

Metropolitan entered into a contract purchase agreement (No. 181801) with Public Surplus, LLC authorizing the auction vendor to perform internet auction services on an “as needed basis.” The contract amount was \$10,000, effective October 2, 2018 through October 1, 2019. This contract was rolled over for the same amount for each succeeding year through October 1, 2021.

Under the terms of the agreement, the auction vendor shall:

- *Provide all labor, materials, and equipment to perform specified internet auction services;*
- *Send out winning notifications (award) to the high bidder to pay for specified auctioned equipment, materials, and/or goods;*
- *Be fully responsible for receiving and securing payment(s);*
- *Notify the Metropolitan auction contact once payment is made; and*
- *Coordinate material recovery/transfer of ownership.*
- *Send MWD one check (lump sum) from the specified processing company (“Paymac”) for the total amount of all the auctions sold in a specified 30-day period and/or month duration. The fee for the service is 10.50%. Subject fee shall be passed on to the buyer as a transaction premium at the time of payment.*

Administrative Code & Policy References

Metropolitan’s Administrative Code Section 8271 (Disposal of Surplus Personal Property) requires that any personal property belonging to the District and which, in the opinion of General Manager, is no longer required for the use of the District may be sold, or exchanged as part payment for the purchase of new equipment of like kind and nature. In addition, such sale or exchange is to be made under such procedure, at such prices and upon such terms and conditions, as General Manager may prescribe.

Administrative Code Section 8272 (Acceptable Bidders on Disposal of Surplus Personal Property) states that District directors and employees, their spouses, and dependent children may not make exchange for or purchase surplus personal property from the District under any terms and conditions for the disposal of surplus personal property prescribed by the General Manager under the authority delegated to him by Section 8271 above.

In addition, Metropolitan’s Operating Policy F-02 (Disposal of Surplus Personal Property), Section 5, prohibits the District directors and employees, their spouses, and dependent children from receiving, directly or indirectly, any of Metropolitan’s surplus personal property.



SCOPE & OBJECTIVES

Our audit scope included the Surplus Personal Property process from July 1, 2018 to June 30, 2021.

Our audit objectives were to:

- (1) Determine if surplus personal property was properly authorized, properly transferred, and securely stored.
- (2) Determine if the surplus personal property auction process was properly managed, auction vendor was qualified, and surplus program costs and expenses were properly accounted for.
- (3) Determine if auction proceeds were properly accounted for, auction charges were accurate, and auctioned surplus was properly released.
- (4) Determine if auctioned surplus property was properly retired and unsold leftover property was properly accounted for.
- (5) Determine if certain governmental tax regulations were adhered to.

EXCLUSIONS

Our audit scope did not include the disposal and/or retirement processes for (1) vehicles, (2) scrap, (3) E-waste, (4) empty toner cartridges, (5) excavated materials (Administrative Code 8270), and (6) donated items.

PRIOR AUDIT COVERAGE

We have not completed any audits with a similar scope within the last five years.

AUTHORITY

We performed this audit in accordance with the FY 2021/22 Audit Plan presented to the former Audit & Ethics Committee and our FY 2023/24 Audit Plan approved by the Board.



PROFESSIONAL INTERNAL AUDIT STANDARDS

Our audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing issued by the International Internal Audit Standards Board.

FOLLOW-UP REVIEWS

The Office of the General Auditor has implemented a new follow-up process to ensure management has effectively implemented corrective action related to our recommendations. Management is required to report recommendation implementation status to our office within six months following the issuance of this report and a first follow-up review will occur shortly thereafter. All audit recommendations are expected to be implemented within a year of this report and if necessary, a second follow-up review will occur approximately six months after issuance of the first follow-up review report. Any audit recommendations not implemented after the second follow-up review will be shared with the Board/Audit Subcommittee of the Executive Committee at its next scheduled meeting.

INTERNAL CONTROL SYSTEM

An internal control system is a continuously operating and integrated component of Metropolitan's operations. Internal controls are implemented by the Metropolitan team and seek to provide reasonable (not absolute) assurance that the District's business objectives will be achieved. However, limitations are inherent in any internal control system no matter how well designed, implemented, or operated. Because of these limitations, errors or irregularities may occur and may not be detected. Specific examples of limitations include but are not limited to, poor judgment, carelessness, management override, or collusion. Accordingly, our audit would not necessarily identify all internal control weaknesses or resultant conditions affecting operations, reporting, or compliance. Additionally, our audit covers a point in time and may not be representative of a future period due to changes within Metropolitan and/or external changes impacting the District.

METROPOLITAN'S RESPONSIBILITY FOR INTERNAL CONTROL

It is important to note that Metropolitan management is responsible for designing, implementing, and operating a system of internal control. The objectives of internal controls are to provide reasonable assurance as to the reliability and integrity of information; compliance with policies, plans, procedures, laws, and regulations; the safeguarding of assets; the economic and efficient use of resources; and the accomplishment of established goals and objectives. In fulfilling this responsibility, management judgment is required to assess the expected benefits and related costs of internal control policy and procedures and to assess whether those policies and procedures can be expected to achieve Metropolitan's operational, reporting, and compliance objectives.



APPENDIX B: PRIORITY RATING DEFINITIONS

The Office of the General Auditor utilizes a priority rating system to provide management with a measure of urgency in addressing the identified conditions and associated risks. We assess the significance of each observation identified during the audit using professional judgment and assign priority ratings to each recommendation using the criteria listed below. Factors taken into consideration in assessing the priority include the likelihood of a negative impact if not addressed, the significance of the potential impact, and how quickly a negative impact could occur.

PRIORITY			
Definition	Observation is <i>serious</i> enough to warrant <i>immediate</i> corrective action. The condition may represent a <i>serious</i> financial, operational, or compliance risk. A priority 1 recommendation may result from a <i>key</i> control(s) being absent, not adequately designed, or not operating effectively.	Observation is of a <i>significant</i> nature and warrants <i>prompt</i> corrective action. It may represent a moderate <i>financial</i> , operational, or compliance risk. A priority 2 recommendation may result from a <i>process</i> or less critical control(s) not being adequate in design and/or not operating effectively on a consistent basis.	Observation involves an internal control issue or compliance lapse that can be corrected in the <i>timely</i> course of <i>normal</i> business. A priority 3 recommendation may result from a process or control that <i>requires</i> enhancement to better support Metropolitan's objectives and manage risk.
Response Time	Immediate	Within 90 Days of report issuance	Within 180 Days of report issuance



APPENDIX C: MANAGEMENT'S RESPONSE

Elias, Mari

From: Ros, Mya P on behalf of Benson, Adam D
Sent: Thursday, September 5, 2024 11:08 AM
To: Suzuki, Scott M
Cc: Upadhyay, Deven N; Kasaine, Katano; Mortada, Mohsen; Torres, Cuauhtemoc
Subject: Management Response to Audit Number 22-3010



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Date: September 5, 2024
To: Scott Suzuki, General Auditor
From: Adam Benson, Finance and Administration Group Manager

A handwritten signature in black ink, appearing to read "Adam Benson", written over a horizontal line.

cc: Deven Upadhyay, Interim General Manager
Katano Kasaine, Assistant General Manager/Chief Financial Officer
Mohsen Mortada, Chief of Staff
Moty Torres, Manager of Administrative Services
Subject: Management Response to Audit Number 22-3010

The General Manager has reviewed and concurs with the following response

Please find below the management response to the Operational Audit: Surplus Personal Property Process, project number 22-3010. Thank you for your recommendations to improve our systems and controls and to increase our capacity and effectiveness. Your partnership will continue to be important as we implement the recommendations. Please do not hesitate to contact me if you would like to discuss the response or any other matters related to this audit.



22-3010 Surplus
Personal Prope...



OFFICE OF THE GENERAL AUDITOR

TITLE	MANAGEMENT RESPONSE FORM
PURPOSE	To provide a management response to each audit recommendation.
REQUIRED	<ol style="list-style-type: none"> 1. For each recommendation, check the applicable agreement box. 2. If there is agreement with the recommendation describe management's action plan and the estimated date when the recommendation will be completely implemented. 3. If there is a partially agree or a do not agree with the recommendation explain management's position. 4. Prepare an e-mail memo using the standard Metropolitan letterhead from the General Manager to the General Auditor. 5. Attach this form to the email and return to the OfficeoftheGeneralAuditor@mwdh2o.com by August 19, 2024. Questions may also be submitted to this e-mail address.

Operational Audit: Surplus Personal Property Process

Project Number 22-2310

Management Response

OBSERVATION 1

Employee Auction Purchases

Metropolitan's Administrative Code Section 8272 and Operating Policy F-02, Section 5, establish that District directors and employees, their spouses, and dependent children may not make an exchange for or purchase surplus personal property from the District and prohibit them from receiving any of Metropolitan's surplus personal property.

We reviewed the auction vendor's Surplus Sold report for the audit period (July 1, 2018 through June 30, 2021) against the Human Resources employees' data file through June 30, 2021.

An employee purchased Metropolitan's surplus equipment (totaling \$3,938), sold through internet auctions in May 2019 and October 2020. The surplus equipment includes a 1995 GMC 3500 Stakebed Pick up, Comer Rotary Mower, and Shulte XH600 Mower.

RECOMMENDATION 1

PRIORITY 1

We recommend the Contracting Services Unit:

- (1) Add language to the bidding contract stating that Metropolitan employees may not make auction purchases.
- (2) Periodically check auction purchasers against the employee database.

MANAGEMENT ACTION PLAN

Process Changed.

1. Investment Recovery incorporated the following highlighted wording into the description of every auction posting.

Description

VIN: 1XPALBOX0MD310604
Mileage: 56040
Running Condition: GOOD
Tires: GOOD



1991 Peterbilt 357 TRACTOR TRUCK. (OUT OF STATE BUYERS)
QMC TRUCK CRANE QLC 38G
S/N 0716912679

Crane charts on PDF Below.

THIS UNIT IS CURRENTLY, AND WILL BE PICKED UP AT THE FOLLOWING LOCATION
Iron Mountain Pumping Plant
6001 Iron Mountain Pump Plant Road
Twentynine Palms, CA. 92277 - US

Per MWD Operating Policy F-02

- Directors, employees, their spouses, and dependent children are prohibited from receiving directly or indirectly, any surplus Metropolitan personal property.



AGREE

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		2. Inventory Control Team Manager will check auction sales to ensure MWD employees have not purchased equipment after every auction. If we find an employee purchased equipment, we will proceed to cancel the sale.
	ESTIMATED IMPLEMENTATION	1. Implemented February 2022 2. Implemented April 2024
PARTIALLY AGREE	EXPLANATION	[insert]
DO NOT AGREE		



OBSERVATION 2		Surplus Inventory & Data	
		<p>Surplused items are stored at a warehouse; however, there is no list of items on hand. As a result, it is not possible to determine what items should physically be in the warehouse at any given time.</p> <p>When an item is ready for surplus, the surplus requester completes and signs EForm 2312 (Internal Shipment Packing List) and submits it to their supervisor or manager for approval. When a surplus item is ready to be sold, EForm 2199 (Authority to Sell) is completed and approved. However, EForm 2312 is not reconciled with EForm 2199 to ensure the surplus item received matches the item for auction, reauction, repurpose, or to be thrown away.</p> <p>EForm 2312 data is manually input into Excel spreadsheets to prepare and document the surplus for auction and EForm 2199 is prepared using these same spreadsheets.</p>	
RECOMMENDATION 2		We recommend the Contracting Services Unit:	
PRIORITY 2		<p>(1) In conjunction with the EForm Administrator, enhance EForm 2312 download and reporting capabilities, eliminating the need to manually input data into Excel spreadsheets to prepare the surplus for auction and provide inventory reporting.</p> <p>(2) Develop reconciliation procedures for EForm 2312 and EForm 2199.</p>	
	MANAGEMENT ACTION PLAN	<p>1. Investment Recovery will work with the EForms team to explore the possibility of automatically extracting information from e-forms into Excel. This enhancement is expected to significantly benefit the team. Also, Investment Recovery staff upgraded from PCs to laptops, eliminating the need for manual entry of every barcode.</p> <p>2. Reconciliation procedure will be developed for E-form 2312 and 2199.</p>	
	ESTIMATED IMPLEMENTATION	<p>1. If "extraction" option is possible, February 2025</p> <p>2. February 2025</p>	
	PARTIALLY AGREE		
	DO NOT AGREE		
	EXPLANATION		
RECOMMENDATION 3		We recommend the Contracting Services Unit explore implementing a surplus property management system to create and maintain complete and accurate surplus	
PRIORITY 2			
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		inventory and disposition records. This system would capture the EForm 2312 information and provide accurate inventory and disposition reports.
X	MANAGEMENT ACTION PLAN	Process Changed - Staff is utilizing Oracle notes for the team to document asset transfers into our database. Staff can now track whether an asset has been sold or is currently in our facility undergoing preparation for auction, providing real-time visibility into our inventory status.
	ESTIMATED IMPLEMENTATION	Implemented February 2022
	PARTIALLY AGREE	[insert]
	DO NOT AGREE	
	EXPLANATION	

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OBSERVATION 3		Post-Auction/Unsold Leftover Surplus
		Once an auction is completed, unsold leftover items require additional handling.
		(1) Unsold auctioned surplus is not tracked, whether reauctioned, repurposed, or thrown away.
		(2) There are no disposition records, and management approval could not be found, e.g., one item was sent to auction twice, went unsold, and was thrown into the garbage without management approval.
RECOMMENDATION 4		We recommend the Contracting Services Unit develop procedures for processing post-auction/unsold leftover surplus items, including documentation and approval.
PRIORITY 2		
X	AGREE	MANAGEMENT ACTION PLAN
		1. Process Changed - Investment Recovery developed a new e-Form titled "Authority to Dispose of Equipment." This form mandates that all equipment slated for scrapping, e-waste disposal, or any form of disposal must be approved by the Inventory Control Team manager.
		2. Additionally, Investment Recovery will draft a comprehensive procedure to establish clear and proper steps for this process.
	ESTIMATED IMPLEMENTATION	1. Implemented April 2024
		2. February 2025
PARTIALLY AGREE	EXPLANATION	[insert]
DO NOT AGREE		



OBSERVATION 4**Surplus Transfer and Retirement**

The correct order to process surplus assets is: (1) transfer authorized asset to salvage, (2) auction authorized asset, (3) remove auctioned asset from accounting system (retire).

We reviewed 1,875 surplus items auctioned online through the contractor web platform from July 1, 2018 through June 30, 2021:

- (1) Seventeen (1%) were auctioned one to 25 months before being transferred to the Salvage Techs/other staff in the Oracle Fixed Assets (OFA) system.
- (2) One hundred fifty-one (8%) were auctioned long after (11 to 210 months) being transferred to Investment Recovery in the OFA system.
- (3) One hundred three (6%) were retired 12 to 208 months before they were auctioned.
- (4) One hundred sixty-five (9%) were retired long after (16 to 39 months) the auction.
- (5) Six hundred twenty-two (33%) items auctioned between July 2018 and June 2021 were not retired in the OFA system as of January 31, 2022. As a result of our audit, the Controller's Section retired all these assets in the system in February 2022.

RECOMMENDATION 5
PRIORITY 2

We recommend the Contracting Services Unit implement procedures for annual auctions and to ensure assets may not be:

- (1) Auctioned unless transferred to salvage.
- (2) Retired until auctioned or disposed of.

MANAGEMENT
ACTION PLAN

Process Changed

1. Timely database entry: All barcoded assets are promptly transferred into our database upon receipt at our facility. During this transfer, we assign a future IR# and utilize the packing slip # as an identifier. This ensures that our records are organized and accurately documented for subsequent sales.
2. - 3. Handling retired assets: Occasionally, the Investment Recovery team receives assets that have already been retired, often due to associated incident reports. Now, upon receipt of a previously retired asset, we request the controller's team to reactivate it for auctioning purposes. Once the equipment is successfully auctioned and payment is received, we will then request it to be retired again.
- 4.- 5. On researching findings 4 and 5, it was found that Investment Recovery requested retirement of assets via email to the Controller's office, yet the

 **AGREE**

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		assets were not retired. To rectify this, we now require a confirmation email from the Controller's office upon asset retirement.
	ESTIMATED IMPLEMENTATION	1. Implemented February 2022 2. Implemented April 2024
PARTIALLY AGREE	EXPLANATION	[insert]
DO NOT AGREE		



OBSERVATION 5		Auction Proceeds
		After auctions are completed, the auction contractor remits proceeds to the Investment Recovery Coordinators at Metropolitan. As a non-authorized receiving agent, the Investment Recovery Coordinators remit the auction proceeds directly to the Treasury Unit; however, the Investment Recovery Coordinators remitted all collections between November 2018 and August 2021 (totaling \$1,248,887) between 14 and 42 days after the check date.
RECOMMENDATION 6		We recommend the Contracting Services Unit change the auction deposit procedures so that auction proceeds are remitted to the Treasury Unit within three business days of receiving them from the auction vendor.
PRIORITY 3		
	AGREE	MANAGEMENT ACTION PLAN
		ESTIMATED IMPLEMENTATION
	PARTIALLY AGREE	EXPLANATION
	DO NOT AGREE	
		Process Changed - Staff has implemented the three-day requirement.
		Implemented April 2024
		[insert]

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OBSERVATION 6**Policies and Procedures**


Metropolitan's Administrative Code, operating policies, and procedures manual establish the policies and procedures for identifying and disposing of surplus personal property. They include:

- Administrative Code Section 8271 (Disposal of Surplus Personal Property)
- Administrative Code Section 8272 (Acceptable Bidders on Disposal of Surplus Personal Property)
- Operating Policy F-01 (Operating, Expensed, and Capital Equipment)
- Operating Policy F-02 (Disposal of Surplus Personal Property)
- Disposal of Surplus Personal Property procedures manual

We reviewed the Administrative Code, operating policies, and procedures manual for surplus. The Contracting Services Unit last updated Operating Policy F-01, Operating Policy F-02, and the Disposal of Surplus Property procedures manual in May 2002, December 2014, and July 2014, respectively. These policies and procedures no longer reflect current practices and organizational changes. The differences noted include selling surplus through internet auctions, online payment by the winning bidder, Paymac remittances of surplus proceeds, picking up of sold surplus at the La Verne facility, and reassigning equipment tracking and monitoring to the Administrative Services Section.

RECOMMENDATION 7**PRIORITY 3**

We recommend the Contracting Services Unit update Operating Policies F-01 and F-02 and the Disposal of Surplus Property procedures manual to include current practices and organizational changes.

	AGREE	MANAGEMENT ACTION PLAN	Investment Recovery is currently in the process of revising Operating Policies F-01, F-02 and procedures to accurately reflect current practices.
		ESTIMATED IMPLEMENTATION	February 2025 (dependent on various stakeholder participation)
	PARTIALLY AGREE	EXPLANATION	[insert]
	DO NOT AGREE		

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OBSERVATION 7		Resale Certificates and Valid Seller's Permits California Revenue and Taxation Code (Article 3, Section 6091) requires that all gross receipts are subject to tax until the contrary is established, e.g., seller takes a California resale certificate from the purchaser. The seller should verify the validity of the California purchaser's seller's permit. We reviewed the California resale certificates and seller's permits for all 29 tax-exempt buyers from July 1, 2018 through June 30, 2021: (1) For two California purchasers, the California Resale Certificates and a copy of the seller's permit (or documentation of online validation of the seller's permit) could not be provided. (2) For 15 California purchasers with a valid seller's permit, the California Resale Certificates could not be provided. (3) For five California purchasers with a California Resale Certificate, a copy of the seller's permit (or documentation of online validation of the seller's permit) could not be provided.
RECOMMENDATION 8 PRIORITY 3		We recommend the Contracting Services Unit ensure copies of resale certificates and proof of validation of the seller's permit are obtained during the sales transaction for applicable surplus transactions.
	MANAGEMENT ACTION PLAN AGREE	Process changed – To enhance internal controls, Investment Recovery has taken the necessary steps to remove tax-exempt status from all our buyers. Buyers have been instructed to resubmit the required paperwork. Upon submission, we now meticulously verify applicable information using the State of California website and securely store relevant documents within bidder profiles.
	ESTIMATED IMPLEMENTATION	Implemented February 2022
	PARTIALLY AGREE	[insert]
	DO NOT AGREE	EXPLANATION

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OBSERVATION 8**Surplus Documentation**

EForm 2312 documents the surplus personal property is no longer needed, and approval for salvage is required for salvage processing.

We reviewed 60 surplus transactions:

- (1) For 17 of 60 (28%), EForm 2312 could not be provided. In addition, per the Investment Recovery Coordinator, some non-barcode deliveries were not attached with EForm 2312.
- (2) For 19 of 60 (32%), the receiver did not sign EForm 2312.
- (3) For seven of 60 (12%), the requester's manager did not approve EForm 2312.
- (4) For 17 of 60 (28%), EForm 2312 was incomplete. It was missing information, including the description, quantity, transfer date, equipment status, parts removed, hard drive removed, recipient, and/or date shipped.

RECOMMENDATION 9**PRIORITY 3**

We recommend the Contracting Services Unit implement procedures that require a properly completed/authorized EForm 2312 for Pony Express drivers to pick up surplus items or to be accepted for receipt.

**AGREE****MANAGEMENT ACTION PLAN**

Process changed - Investment Recovery successfully updated our e-Forms to include tracking capabilities for items transported via the pony drivers, particularly focusing on deliveries for Investment Recovery. Utilizing electronic tracking, we monitor all e-Forms from sender to pony delivery, ensuring confirmation of receipt. Upon receipt by Investment Recovery, we transfer all assets and diligently sign each e-Form received.

ESTIMATED IMPLEMENTATION

Implemented June 2022

PARTIALLY AGREE

DO NOT AGREE

EXPLANATION

[insert]

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OBSERVATION 9**Surplus Program Expenditures**

We reviewed the surplus program expenditures recorded in Project 900980 (Contracting Services Unit) from July 1, 2018 through June 30, 2021:

- (1) The surplus program expenditures are not recorded to a single Task or Org type under Project 900980.
- (2) The Investment Recovery Coordinators and support staff working on the surplus program charge their labor hours to a Task or Org type for the team to which they belong.
- (3) One Investment Recovery Coordinator (assigned as a senior administrative analyst) had 3,859 labor hours charged to Task 53054 (Materials Management)/Org type 00980 (Contracting Services Unit) and 1,908 hours to Task 53054 (Materials Management)/Org type 01106 (Inventory Management Team) when performing surplus and inventory management, respectively.
- (4) Another Investment Recovery Coordinator (assigned as a storekeeper) had 1,645 labor hours charged to Task 53054 (Materials Management)/Org 01106 (Inventory Management Team) and 3,166 hours to Task 53054 (Materials Management)/Org 01263 (Warehousing Team).
- (5) The Pony Express drivers that occasionally pick up surplus from various locations have their labor hours charged to Task 53054 (Materials Management)/Org 01263 (Warehousing Team). The surplus pick-ups are in conjunction with their regular runs.

RECOMMENDATION 10
PRIORITY 3

We recommend the Contracting Services Unit:

- (1) Obtain guidance from the Controller's Section on using a single Task or Org type under Project 900980 to record all surplus program expenditures.
- (2) Ensure the staff time and other related surplus expenses are charged to a single Task or Org type established for the surplus program under Project 900980.
- (3) Review and analyze the cost reports periodically to ensure the costs charged to the surplus program are appropriate.

MANAGEMENT
ACTION PLAN


AGREE

All activities undertaken by both the Investment Recovery and pony driver staff fall under the umbrella of materials management. Historically, our staff has not segmented their time by task.

To address this, Inventory Control will reach out to the Finance office to seek clarification on the appropriate method for time entry.

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	ESTIMATED IMPLEMENTATION	If changes are needed, February 2025
PARTIALLY AGREE	EXPLANATION	
DO NOT AGREE		

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Office of the General Auditor

First & Final Follow-up Review: Stores Inventory

Project Number: 21-1710
September 26, 2024

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Background · What We Did · What We Concluded

2 General Auditor's Letter

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4 Appendix A: Implementation Status Definitions

Executive Summary

BACKGROUND

The Office of General Auditor completed an original audit that reviewed the controls over the receipt, storage, and distribution of materials and supplies that are processed at Metropolitan warehouses. The audit also evaluated the effectiveness of periodic cycle counts, physical security, and reconciliations of warehouse inventory to the general ledger. The report contained one finding regarding the completeness of items included in cycle counts, and we recommended that management take steps to ensure that cycle counts are complete and accurate. In November 2023, we sent a follow-up form to management requesting the implementation status of our recommendation. In December 2023, management reported the recommendation had been implemented.

WHAT WE DID

Our review objective and scope were to assess the implementation status, as of December 31, 2023, of the one (1) recommendation made in the original audit, Report on Stores Inventory, Audit No. 21-1710, dated April 29, 2021.

WHAT WE CONCLUDED

Management implemented the one (1) recommendation, which closes out the original audit.

RECOMMENDATION STATUS



IMPLEMENTED



IN PROGRESS



NOT IMPLEMENTED



CLOSED



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Date: September 26, 2024
To: Executive Committee
From: Scott Suzuki, CPA, CIA, CISA, CFE, General Auditor
Subject: First & Final Follow-up Review: Stores Inventory
(Project Number 21-1710)

This report presents the results of our first follow-up review of Report on Stores Inventory as of December 31, 2023, original Audit No. 21-1710, dated April 29, 2021.

Our first follow-up review concluded that the Administrative Services Section implemented the one (1) recommendation. As all recommendations have been implemented, this report represents the final closeout of the original audit.

We appreciate the cooperation and courtesies provided by the Administrative Services Section. If you have any questions regarding our review, please do not hesitate to contact me directly at 213.217.6528 or Deputy General Auditor Kathryn Andrus at 213.217.7213.

Attachments

cc: Board of Directors
General Manager
General Counsel
Ethics Officer
Office of the General Manager Distribution
Assistant General Managers
Finance & Administration Group Distribution
External Auditor

RESULTS

RECOMMENDATIONS & CURRENT STATUS

1 Cycle Counts

All inventoriable items should be included in the cycle count process.

Failure to perform complete cycle counts may result in undetected loss of assets and incorrect accounting records.

Recommendation 1

We recommend that management take steps to ensure accurate and timely cycle counts are performed and properly documented.

Current Status

Implemented.

As of December 31, 2023, all warehouse items that should be cycle counted have been included in the cycle count program.

AUDIT TEAM

Kathryn Andrus, CPA, Deputy General Auditor

Chris Gutierrez, CPA, CIA, Audit Program Manager



APPENDIX A: IMPLEMENTATION STATUS DEFINITIONS

Professional internal auditing standards require that internal auditors confirm that management has implemented internal audit's recommendations. The Office of the General Auditor has established follow-up reviews as part of its service portfolio to assess the implementation status of each recommendation from original audits.

Management is required to report recommendation implementation status to our office within six months following the issuance of the original audit report, and a first follow-up review will occur shortly thereafter. All audit recommendations are expected to be implemented within one-year of the original audit report, and if necessary, a second follow-up review will occur approximately six months after the issuance of the first follow-up review report. Any audit recommendations not implemented after the second follow-up review will be shared with the Board/Audit Subcommittee of the Executive Committee at its next scheduled meeting.

To facilitate our follow-up reviews, we developed a classification system that rates actions taken by management to implement our recommendations.

IMPLEMENTATION STATUS	
IMPLEMENTED	Management has implemented our recommendation in full as verified by the follow-up review. No further follow-up will occur.
IN PROGRESS	Management has partially implemented our recommendation. Additional follow-up will occur.
NOT IMPLEMENTED	Management has not taken any action to implement our recommendation. Additional follow-up will occur.
CLOSED	<p>No further follow-up review will occur due to one of the following conditions:</p> <ol style="list-style-type: none"> 1. <u>Alternative Action Taken</u>: Management took corrective action different from our recommendation. The corrective action sufficiently mitigates the risks associated with the observation. 2. <u>No Longer Applicable</u>: Circumstances have changed, and the observation/recommendation is no longer applicable. 3. <u>Risk Assumed</u>: Management has chosen to accept the risk of not implementing or partially implementing our recommendation. The Board of Directors has been apprised of the status. 4. <u>Other</u>: The recommendation's current status was discussed with the Board and while our recommendation has been partially implemented, no additional follow-up review has been requested by the Board.





Ethics Office Monthly Report

SEPTEMBER 2024

EDUCATION

Presented an Ethics Office overview for new hires at new employee orientations hosted by Human Resources.

Publicly announced an employment opportunity for an Ethics Educator position. This position will be dedicated to developing and delivering ethics educational content throughout the district.

COMPLIANCE

Assisted directors and employees with their Annual, Assuming Office, and Leaving Office Form 700 filings. Assistance included filing for multiple positions, troubleshooting the electronic filing system, and notifications of deadlines.

ADVICE

Addressed 20 advice matters related to the following: conflicts of interest, financial disclosure, gifts, political activities and other ethics-related topics.

INVESTIGATIONS

Received one complaint that a manager released an employee's confidential medical information without authorization.

Opened one investigation into allegations that a manager abused their position or authority by providing special treatment to a job candidate.

ADVICE AND INVESTIGATIVE DATA

Advice Matters	20
Compliance Assistance	318
Complaints Received	1
Investigations Opened	1
Pending Investigations	2

COMPLAINTS MAY BE FILED AT:

ANONYMOUS ETHICS HOTLINE
(800) 461-9330
<http://www.mwdethicshotline.net/>

ETHICS OFFICE
(213) 217-5832
ethicsoffice@mw dh2o.com

MINUTES
SPECIAL JOINT MEETING OF THE
EXECUTIVE COMMITTEE AND BOARD OF DIRECTORS
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
August 27, 2024

53762 The Executive Committee and Board of Directors of The Metropolitan Water District of Southern California met in a special session on Tuesday, August 27, 2024.

Chair Ortega called the meeting to order at 9:32 a.m.

53763 Board Executive Secretary Hudson administered the roll call. Those responding present were: Directors Ackerman, Alvarez Armstrong, Bryant, Camacho, Cordero, De Jesus, Dick, Douglas (teleconference posted location available for the public), Erdman, Faessel, Fellow, Fong-Sakai (teleconference posted location available for the public), Garza, Gold, Goldberg (teleconference posted location available for the public), Gray (teleconference posted location available for the public), Lefevre (teleconference posted location available for the public), Lewitt, Miller (teleconference posted location available for the public), Morris, Ortega, Pressman, Quinn, Ramos (teleconference posted location available for the public), Seckel, and Smith (teleconference posted location available for the public).

Those not responding were: Directors Crawford and Petersen.

Directors entered the meeting after the roll call: Directors Dennstedt, Jung (teleconference posted location available for the public), Kassakhian, Kurtz, Luna, McCoy, McMillan, Phan (teleconference posted location available for the public), and Sutley.

Board Executive Secretary Hudson declared a quorum present.

53764 Chair Ortega invited members of the public to address the Board on matters within the Board's jurisdiction (in-person and via teleconference).

	Name	Affiliation	Comment
1.	Adel Hagekhalil	MWD Employee	Items 10a, b, and c
2.	Kerry Garvis Wright	Attorney, Glaser Weil	Items 10a, b, and c
3.	Martin Adams	LADWP retired employee	Items 10a, b, and c
4.	Bruce Reznik	LA Waterkeeper	Items 10a, b, and c

5.	Randall Neudeck	MWD Employee	Items 10a, b, and c
6.	Russell Ryan	MWD Employee	Items 10a, b, and c
7.	Connor Everts	SCWA	Items 10a, b, and c
8.	Gonzalo Pantoja	MWD Employee	Employee Issues
9.	Conrad Villa	MWD Employee	Employee Issues
10.	Marc Miranda	MWD Employee	Employee Issues
11.	Michael Diaz	MWD Employee	Employee Issues
12.	Jeffrey Froehlich	MWD Employee	Employee Issues
13.	Alan Shanahan	MWD Employee	Employee Issues
14.	Drew Boronkay	MWD Employee	Items 10a, b, and c
15.	Caty Wagner	Sierra Club	Items 10a, b, and c
16.	Joe Ortega	MWD Employee	Items 10a, b, and c
17.	Jolene Fuentes	MWD Employee	Items 10a, b, and c
18.	Jennifer Sharp	MWD Employee	Employee Issues
19.	Seth Chipman	LA Resident	Items 10a, b, and c
20.	Margaret Shiriaki Rush	Summit County Water District	Items 10a, b, and c
21.	Ellen Mackey	MWD Employee	Items 10a, b, and c
22.	Hans Johnson	President of East Area Progressive Democrats	Items 10a, b, and c
23.	Charmin Evelyn	Sierra Club Water Committee	Items 10a, b, and c
24.	Nancy Blastos	Redlands Resident	Items 10a, b, and c
25.	Trish Gonzalez	MWD Retired Employee	Items 10a, b, and c
26.	Barbara Barrigan- Parrilla	Restore Delta	Items 10a, b, and c
27.	Jan Warren	Member of the Public	Items 10a, b, and c
28.	John Vrsalovich	MWD Employee	Items 10a, b, and c

- | | | | |
|-----|------------------|----------------------------|---------------------|
| 29. | Adrian Hightower | MWD Employee | Items 10a, b, and c |
| 30. | Crystal Marino | Ecological Program Manager | Items 10a, b, and c |

EXECUTIVE COMMITTEE ITEMS

OTHER MATTERS AND REPORTS

- a. Subject: Chair's Report

Presented by: Chair Ortega

Chair Ortega stated he had nothing to add to the report.

- b. Subject: Interim General Manager's Report of Metropolitan activities

Presented by: Interim General Manager Deven Upadhyay

Interim General Manager Upadhyay reported on the following:

- Update on public comment from August 20 and August 27 meetings regarding safety culture and housing.
- Update on meeting with union leadership.
- Update on the housing report.
- Update safety council meeting.
- Civility training for all Metropolitan employees.

Roll call Director entered the meeting: Directors Dennstedt, Gray (teleconference posted location available for the public), Jung (teleconference posted location available for the public), Kassakhian, Kurtz, Luna, McCoy, McMillan, Phan (teleconference posted location available for the public), and Sutley.

- c. Subject: General Counsel's report of Metropolitan activities

Presented by: Assistant General Counsel Torres

Assistant General Counsel Torres stated General Counsel is monitoring Metropolitan developments while on vacation. Staff from the Engineering, Legal department, and outside counsel reached a resolution on the Baker Electric matter within the contract amount, which is within existing authority and will not need board action. An informational item will be presented at the September Legal and Claims Committee.

- d. Subject: General Auditor's report of Metropolitan activities
Presented by: General Auditor Suzuki

General Auditor Suzuki stated the internal quality assessment deadline is approaching. The Board and management still have time to respond.

- e. Subject: Ethics Officer's report of Metropolitan activities
Presented by: Ethics Officer Abel Salinas

Ethics Officer Salinas stated he had nothing to add to his report.

CONSENT CALENDAR OTHER ITEMS – ACTION

- A. Approval of the Minutes of the Executive Committee Meeting for July 23, 2024.

Chair Ortega asked the Directors if there were any additions, corrections, or omissions on the minutes of the July 23, 2024, Executive Committee Meeting. None were made.

- B. Approve the draft of the Committee and Board meeting agendas and schedule for September 2024.

Chair Ortega asked if there were any additions or deletions to the September 2024 draft packet.

Committee Chair Luna reported that at the Legal and Claims Committee, the following subject has been revised:

- Report on litigation and tentative settlement agreement in Baker Electric, Inc. v. Metropolitan Water District of Southern California, et al., (Los Angeles Superior Court Case No. 21STCV15612) regarding Metropolitan's CRA 6.9 kV Power Cables Replacement Project Contract N. 1915.

Committee Chair Pressman reported that at the Ethics, Organization & Personnel Committee, the following subject has been revised:

- Response to public comment including safety concerns.

Chair Ortega called for the vote on Items 6A and 6B.

Director De Jesus made a motion, seconded by Director Garza, to approve the consent calendar Items 6A and 6B as listed and revised.

The vote was:

Ayes: Directors Armstrong, Camacho, Cordero, De Jesus, Erdman, Fong-Sakai, Garza, Goldberg, Gray, Jung, Luna, McCoy, Ortega, Pressman Smith and Sutley.

Abstention: None

Recusal: None

Absent: Quinn

The motion for Items 6A and 6B passed by a vote of 16 ayes; 0 noes; 0 abstention; and 1 absent.

END OF CONSENT CALENDAR ITEMS

COMMITTEE INFORMATION ITEMS

Chair Ortega announced that the Palo Verde Irrigation District will be holding an election for two of the seven members of its Board of Trustees on September 17, 2024.

Metropolitan is authorized to cast votes based on its ownership of land. He has assigned Director Camacho as his proxy.

7a. Subject: Report on the Colorado River Board Meeting.

Presented by: Director Cordero

Director Cordero reported on the Colorado River Board meeting.

7b. Subject: Colorado River Activities

Presented by: Bill Hasencamp

Mr. Hasencamp reported on Colorado River activities.

SUBCOMMITTEE REPORTS AND DISCUSSION

Committee Chair Armstrong announced the next Audit Subcommittee of the Executive Committee will be on October 22, 2024.

SPECIAL BOARD ITEMS

BOARD INFORMATION ITEMS

Chair Ortega called the meeting into closed session to discuss Agenda Items 9-1, 10A, 10B, and 10C.

53764 Labor Negotiations Update [Conference with labor negotiators; to be heard in closed session pursuant to Gov. Code Section 54957.6. Metropolitan representative(s): Katano Kasaine, Chief Financial Officer; Gifty Beets, Human Resources Section Manager; Mark Brower, Human Resources Group Manager; Adam Benson, Finance Group Manager; Employee Organization(s): The Employees Association of The Metropolitan Water District of Southern California/AFSCME Local 1902; the Management and Professional Employees Associations MAPA/AFSCME Chapter 1001; the Supervisors Association; and the Association of Confidential Employees]. (Agenda Item 9-1).

The non-Interest Disclosure Notice will be attached to the minutes.

OTHER BOARD ITEMS - ACTION

53765 Status of investigations and provide direction on potential interim measures; the General Manager has determined the proposed action is exempt or otherwise not subject to CEQA. [Conference with legal counsel—anticipated litigation; based on existing facts and circumstances, including receipt of correspondences containing allegations of serious Equal Employment Opportunity, retaliation, and other violations; there is significant exposure to litigation against Metropolitan; two potential cases; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(2)]. (Agenda Item 10A).

53766 Review of Department Head Performance Evaluation [Public employee performance evaluation: General Manager, to be heard in closed session pursuant to Gov. Code Section 54957]. (Agenda Item 10B)

53767 Public Employee Discipline/Dismissal/Release [to be heard in closed session pursuant to Gov. Code Section 54957]. (Agenda Item 10C)

The Board returned to open session; in closed session, the Board discussed Item 9-1. No action was taken in closed session.

The Board discussed Items 10A, 10B, and 10C. Chair Ortega called on Assistant General Counsel Torres to report the action.

Mr. Torres reported Item 10A the Board voted to reconvene on October 22, 2024, and to extend administrative leave for General Manager until October 23, 2024. On Items 10B and 10C there are no reportable actions.

The following is a record of the vote:

Record of Vote on Item:		10A - Closed Session								
Motion: Reconvene discussion on October 22, 2024 and extend the administrative leave of the General Manager until October 23, 2024										
Member Agency	Total Votes	Director	Present	Yes	Yes Vote	No	No Vote	Abstain	Abstain Vote	
Anaheim	6306	Faessel	x	x	6306					
Beverly Hills	4677	Pressman	x	x	4677					
Burbank	3330	Ramos	x	x	3330					
Calleguas Municipal Water District	13627	McMillan	x	x	13627					
Central Basin Municipal Water District	20265	Garza	x	x	20265					
		Crawford								
			Subtotal:		20265					
Compton	678	McCoy	x	x	678					
Eastern Municipal Water District	12919	Armstrong	x	x	12919					
Foothill Municipal Water District	2543	Bryant	x	x	2543					
Fullerton	2766	Jung	x	x	2766					
Glendale	4165	Kassakhian								
Inland Empire Utilities Agency	17103	Camacho	x	x	17103					
Las Virgenes	3224	Lewitt	x	x	3224					
Long Beach	6805	Cordero	x	x	6805					
Los Angeles	83835	Sutley								
		Petersen								
		Quinn	x	x	41918					
		Luna								
		Douglas	x	x	41918					
			Subtotal:		83835					
Municipal Water Dist. of Orange County	68102	Ackerman	x	x	17026					
		Seckel	x			x	17026			
		Dick	x			x	17026			
		Erdman	x	x	17026					
			Subtotal:		34051		34051			
Pasadena	4042	Kurtz								
San Diego County Water Authority	70862	Fong-Sakai	x	x	17716					
		Goldberg	x	x	17716					
		Miller	x	x	17716					
		Smith	x	x	17716					
			Subtotal:		70862					
San Fernando	274	Ortega	x	x	274					
San Marino	836	Morris	x	x	836					
Santa Ana	3569	Phan	x	x	3569					
Santa Monica	5055	Gold								
Three Valleys Municipal Water District	9019	De Jesus	x	x	9019					
Torrance	3781	Lefevre	x	x	3781					
Upper San Gabriel Valley Mun. Wat. Dis	14079	Fellow	x	x	14079					
West Basin Municipal Water District	28764	Alvarez	x	x	28764					
		Gray								
			Subtotal:		28764					
Western Municipal Water District	15689	Dennstedt	x			x	15689			
Total	406315				343313		49740			
Present and not voting										
Absent	13262									

The motion to approve the Item 10A Closed Session (**M.I. No. 53765**) passed by a vote of 343,313 ayes; 49,740 noes; 0 abstain; 0 not voting; and 13,262 absent.

53766 Chair Ortega asked if there were any Follow-up Items. There were none.

53767 Chair Ortega asked if there were any Future Agenda Items. Director Dick requested an update on preserving the Solar Cup.

53768 There being no objection, the meeting was adjourned at 3:18 p.m.



RICKITA HUDSON
BOARD EXECUTIVE SECRETARY



ADÁN ORTEGA, JR.
CHAIR OF THE BOARD

SPECIAL JOINT EXECUTIVE AND BOARD MEETING

August 27, 2024 – 9:30 a.m.

MWD Headquarters Building/Teleconference Meeting

**NON-INTEREST DISCLOSURE NOTICE
BOARD ITEM 9-1**

SPECIAL BOARD ITEM Item 9-1 – Labor Negotiations Update [Conference with labor negotiators; to be heard in closed session pursuant to Gov. Code Section 54957.6. Metropolitan representative(s): Katano Kasaine, Chief Financial Officer; Gifty Beets, Human Resources Section Manager; Mark Brower, Human Resources Group Manager; Adam Benson, Finance Group Manager; Employee Organization(s): The Employees Association of The Metropolitan Water District of Southern California/AFSCME Local 1902; the Management and Professional Employees Associations MAPA/AFSCME Chapter 1001; the Supervisors Association; and the Association of Confidential Employees.)]

This Non-Interest Disclosure Notice is being provided under the California Government Code: Pursuant to Government Code Section 1091.5(a)(9), a District officer or employee does not have a financial interest in a District contract if these conditions are satisfied: (i) his or her interest is that of a person receiving a salary, per diem or reimbursement for expenses from a government entity; (ii) the contract does not directly involve the department of the government entity that employs him or her; and (iii) the interest is disclosed to his or her body or board at the time the contract is considered and is noted in its official record. In accordance with this statute, the following District officers or employees have been, or may be, involved in the bargaining unit negotiations on behalf of management: Adel Hagekhalil, Marcia Scully, Katano Kasaine, Shane Chapman, Deven Upadhyay, Gifty Beets, Mark Brower, Henry Torres, Tony Zepeda, Adam Benson, and Diana Vidal.

Diana Vidal is a member of the Association of Confidential Employees (“ACE”), which have a salary provision in its Memorandum of Understanding that

allows ACE to select an annual salary adjustment from any one of the Memoranda of Understanding for the other bargaining units. Each of the remaining individuals is unrepresented. Under Administrative Code Section 6500(d), unless the Board directs otherwise, the pay rate range for each unrepresented individual except Adel Hagekhalil and Marcia Scully, will be adjusted annually to correspond with the annual across-the-board salary adjustment provided to the District's management employees under the Memoranda of Understanding; although actual pay rates for these unrepresented individuals will be determined by their management. The other compensation and benefits for which the unrepresented individuals are eligible are set forth in the Administrative Code.

MINUTES
REGULAR MEETING OF THE
BOARD OF DIRECTORS
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
September 10, 2024

53769 The Board of Directors of The Metropolitan Water District of Southern California met in a regular session on Tuesday, September 10, 2024.

Chair Ortega called the meeting to order at 12:00 p.m.

Director Ackerman stated that she is using AB 2449 due to her disability.

Director Smith stated that he is using AB 2449 due to a contagious illness.

53770 The Meeting was opened with an invocation by Director Anthony Fellow, Upper San Gabriel Valley Municipal Water District.

53771 The Pledge of Allegiance was given by Director Karl Seckel, Municipal Water District of Orange County.

53772 Board Secretary Fong-Sakai administered the roll call. Those responding present were: Directors Ackerman (AB 2449), Alvarez, Armstrong, Bryant, Camacho, Crawford, De Jesus (teleconference posted location available for the public), Dennstedt (teleconference posted location available for the public), Douglas, Erdman, Faessel, Fellow, Fong-Sakai, Goldberg, Gray (teleconference posted location available for the public), Jung (teleconference posted location available for the public), Kassakhian, Kurtz, Lefevre (teleconference posted location available for the public), Lewitt, Luna, McCoy, McMillan (teleconference posted location available for the public), Miller, Morris, Ortega, Quinn, Ramos (teleconference posted location available for the public), Seckel, Smith (AB 2449), and Sutley.

Those not responding were: Directors Cordero, Dick, Garza, Petersen, and Pressman.

Board Secretary Fong-Sakai declared a quorum present.

Director(s) entered the meeting after the roll call: Directors Gold and Phan (teleconference posted locations available for the public).

Chair Ortega called on Director Dennstedt to introduce Member Agency Manager Guest Board President Mike Gardner and General Manager Craig Miller of Western Municipal Water District. Chair Ortega, Director Dennstedt, Mr. Gardner, and Mr. Miller made remarks.

Chair Ortega welcomed and thanked Misters Gardner and Miller for joining the board and encouraged them to comment on matters important to the Western Municipal Water District.

Chair Ortega announced Metropolitan will be celebrating Hispanic Heritage Month. The social media team will be teaming up Hispanic Employees Association to create engaging posts that showcase the diverse talents and stories within our workforce.

Chair Ortega announced Director Lewitt requested to pull Item 7-6 regarding a proposed position on Proposition 4 the climate change bond initiative from the consent calendar. Metropolitan also received a request from Senator Ben Allen, one of the authors of the legislation to speak to the Board about Proposition 4. Senator Allen is not available to speak to the Board until 1:00 p.m. therefore, the item will be put to the end of the agenda to allow Senator Allen and other members of the public to comment prior to the Board's consideration of Item 7-6.

53773 Chair Ortega invited members of the public to address the Board on matters within the Board's jurisdiction (in-person and via teleconference).

	Name	Affiliation	Comment
1.	Darcy Burke	Elsinore Valley Water District	9/11 Remembrance and CAMP4W Initiatives Collaboration
2.	Justin Breck	LA Waterkeepers	Item 7-6
3.	Barbara Barrigan-Prilla	Restore the Delta	Item 7-6

Chair Ortega addressed the following: Other Matters and Reports.

53774 Chair Ortega asked if there were any corrections to the report of events attended by Directors at Metropolitan's expense during the month of August, as previously posted and distributed to the Board. None were made.

53775 Chair Ortega referred to the Chair's monthly report, which was previously posted and distributed to the Board. In addition, Chair Ortega congratulated Director Kurtz as she is an honoree at the Business Life Magazine's 35th Annual Women Achievers 2024 Awards Luncheon will be held on October 11, 2024, at 11:00 a.m. in Pasadena. Lastly, the Palo Verde Irrigation District will be holding an election for two of the seven members of its Board of Trustees on September 17, 2024. Michael Mullion and Brad Robinson are the incumbents seeking re-election on PVID's Board of Trustees. Director Camacho will be casting votes on behalf of Metropolitan.

Chair Ortega asked if there are any questions. None were made.

53776 Interim General Manager Upadhyay reported on the issuance of the bonds with Assistant General Manager Kasaine providing an update. In addition, Interim GM Upadhyay provided an update on the wildfires, the Nation of Mexico requesting emergency water for Tijuana, and an update on the Perris Valley pipeline video.

53777 General Counsel Scully stated she had nothing to add to the written report. She congratulated the PVP team.

53778 General Auditor Suzuki stated he had nothing to add to the written report.

53779 Ethics Officer Salinas stated that the AB1234 required training will be given at the November Board meeting.

53780 Presentation of 5-Year Service Pin to Director McCoy representing the City of Compton (Agenda Item 5G).

53781 Presentation of 5-Year Service Pin to Director Quinn representing the City of Los Angeles (Agenda Item 5H).

53782 Presentation Commendatory Resolution for Director Judy Abdo representing the City of Santa Monica (Agenda Item 5I).

Committee Chair Jung stated that at the Legislation and Communications Committee meeting, the Committee voted on Option 2 to take no action on Proposition 4, the Safe Drinking Water, Wildlife Prevention, Drought Preparedness, and Clean Air Bond Act 2024.

Chair Ortega stated that before any questions we will take additional public comment (in-person and via teleconference) for Agenda Item 7-6.

Name		Affiliation	Comment
1.	Senator Allen		Item 7-6

Director Gold entered the meeting.

53784 Chair Ortega called for a motion on Item 7-6 .

Director Lewitt made a motion to express support Senator Allen's proposition on Proposition 4, the Safe Drinking Water, Wildlife Prevention, Drought Preparedness, and Clean Air Bond Act 2024.

The following Director(s) asked questions or made comments:

Director(s)

1. Fellow
2. Sutley
3. Gold
4. Gray
5. Luna
6. Alvarez
7. Ortega

The public line was closed.

53784 Express support for Proposition 4, the Safe Drinking Water, Wildlife Prevention, Drought Preparedness, and Clean Air Bond Act of 2024, as set forth in Agenda Item 7-6 board letter.

Director Lewitt moved, seconded by Director Sutley that the Board approve Item 7-6 as follows:

Chair Ortega called for a vote to approve the Item 7-6.

The following is a record of the vote:

Record of Vote on Consent Item(s):		7-6							
Member Agency	Total Votes	Director	Present	Yes	Yes Vote	No	No Vote	Abstain	Abstain Vote
Anaheim	6306	Faessel	x	x	6306				
Beverly Hills	4677	Pressman							
Burbank	3330	Ramos	x	x	3330				
Calleguas Municipal Water District	13627	McMillan	x	x	13627				
Central Basin Municipal Water District	20265	Garza							
		Crawford	x	x	20265				
			Subtotal:		20265				
Compton	678	McCoy	x	x	678				
Eastern Municipal Water District	12919	Armstrong	x	x	12919				
Foothill Municipal Water District	2543	Bryant	x	x	2543				
Fullerton	2766	Jung	x	x	2766				
Glendale	4165	Kassakhian	x	x	4165				
Inland Empire Utilities Agency	17103	Camacho	x	x	17103				
Las Virgenes	3224	Lewitt	x	x	3224				
Long Beach	6805	Cordero							
Los Angeles	83835	Sutley	x	x	20959				
		Petersen							
		Quinn	x	x	20959				
		Luna	x	x	20959				
		Douglas	x	x	20959				
			Subtotal:		83835				
Municipal Water Dist. of Orange County	68102	Ackerman	x	x	22701				
		Seckel	x	x	22701				
		Dick							
		Erdman	x	x	22701				
			Subtotal:		68102				
Pasadena	4042	Kurtz	x	x	4042				
San Diego County Water Authority	70862	Fong-Sakai	x	x	17716				
		Goldberg	x	x	17716				
		Miller	x	x	17716				
		Smith	x	x	17716				
			Subtotal:		70862				
San Fernando	274	Ortega	x	x	274				
San Marino	836	Morris	x	x	836				
Santa Ana	3569	Phan							
Santa Monica	5055	Gold	x	x	5055				
Three Valleys Municipal Water District	9019	De Jesus	x	x	9019				
Torrance	3781	Lefevre	x	x	3781				
Upper San Gabriel Valley Mun. Wat. Dist.	14079	Fellow	x	x	14079				
West Basin Municipal Water District	28764	Alvarez	x	x	14382				
		Gray	x	x	14382				
			Subtotal:		28764				
Western Municipal Water District	15689	Dennstedt	x					x	15689
Total	406315				375575				15689
Present and not voting									
Absent	15051								

The motion to approve Item 7-6 (**M.I. No. 53784**) passed by a vote of 375,575 ayes; 0 noes; 15,689 abstain; 0 not voting; and 15,051 absent.

Directors Ackerman and Smith, using AB 2449 just cause, did not have anyone over the age of 18 present during the vote.

53783 Chair Ortega asked the Directors if there were any comments or discussions on the Approval of the Minutes of the Board of Directors Meeting for August 20, 2024 (Copies have been submitted to each Director any additions, corrections, or omissions) (Agenda Item 6A). No amendments were made.

53785 Approval of Committee Assignments (Agenda Item 6B).

Appoint Director Lewitt to the Ethics, Organization, and Personnel Committee.

Appoint Directors Garza and Armstrong to the Ad Hoc Committee for the Department Heads Evaluation Process.

Chair Ortega called on Directors who are requesting that any items be pulled from the Consent Calendar Action Items and to state any recusals, abstentions, and disclosures.

53786 Authorize an agreement with IDS Group Inc. in an amount not to exceed \$400,000 for preliminary design to rehabilitate the HVAC system at Metropolitan Headquarters Building, as set forth in Agenda Item 7-1 board letter.

53787 Adopt the Mitigated Negative Declaration for the West Valley Feeder No. 1 Stage 3 Improvements Project and take related CEQA actions, as set forth in Agenda Item 7-2 board letter.

53788 Award a \$1,285,000 contract to Resource Environmental Incorporated for abatement and roof replacement on houses at four Colorado River Aqueduct Pumping Plant villages, as set forth in Agenda Item 7-3 board letter.

53789 Authorize the General Manager to enter into agreements with the Plumas Community Protection I Forest Resilience Bond LLC, North Feather I Forest Resilience Bond LLC, and Upper Butte Creek I Forest Resilience Bond LLC to establish watershed partnerships and forest health pilot investigations in the Northern Sierra Nevada, each agreement is not to exceed \$200,000 per year for a maximum of two years, as set forth in Agenda Item 7-4 board letter.

53790 Approve the salary schedule, as set forth in Agenda Item 7-5 board letter.

Director Morris moved, seconded by Director Sutley that the Board approve the Consent Calendar Items 6A, 6B, and 7-1 through 7-5 as follows:

Chair Ortega called for a vote to approve the Consent Calendar Items 6A, 6B, and 7-1 through 7-5.

Director De Jesus left the meeting.

The following is a record of the vote:

Record of Vote on Consent Item(s): 6A, 6B and 7-1 through 7-5									
Member Agency	Total Votes	Director	Present	Yes	Yes Vote	No	No Vote	Abstain	Abstain Vote
Anaheim	6306	Faessel	x	x	6306				
Beverly Hills	4677	Pressman							
Burbank	3330	Ramos	x	x	3330				
Calleguas Municipal Water District	13627	McMillan	x	x	13627				
Central Basin Municipal Water District	20265	Garza							
		Crawford	x	x	20265				
			Subtotal:		20265				
Compton	678	McCoy	x	x	678				
Eastern Municipal Water District	12919	Armstrong	x	x	12919				
Foothill Municipal Water District	2543	Bryant	x	x	2543				
Fullerton	2766	Jung	x	x	2766				
Glendale	4165	Kassakhian	x	x	4165				
Inland Empire Utilities Agency	17103	Camacho	x	x	17103				
Las Virgenes	3224	Lewitt	x	x	3224				
Long Beach	6805	Cordero							
Los Angeles	83835	Sutley	x	x	20959				
		Petersen							
		Quinn	x	x	20959				
		Luna	x	x	20959				
		Douglas	x	x	20959				
			Subtotal:		83835				
Municipal Water Dist. of Orange County	68102	Ackerman	x	x	22701				
		Seckel	x	x	22701				
		Dick							
		Erdman	x	x	22701				
			Subtotal:		68102				
Pasadena	4042	Kurtz	x	x	4042				
San Diego County Water Authority	70862	Fong-Sakai	x	x	17716				
		Goldberg	x	x	17716				
		Miller	x	x	17716				
		Smith	x	x	17716				
			Subtotal:		70862				
San Fernando	274	Ortega	x	x	274				
San Marino	836	Morris	x	x	836				
Santa Ana	3569	Phan							
Santa Monica	5055	Gold	x	x	5055				
Three Valleys Municipal Water District	9019	De Jesus	x	x	9019				
Torrance	3781	Lefevre	x	x	3781				
Upper San Gabriel Valley Mun. Wat. Dist.	14079	Fellow	x	x	14079				
West Basin Municipal Water District	28764	Alvarez	x	x	14382				
		Gray	x	x	14382				
			Subtotal:		28764				
Western Municipal Water District	15689	Dennstedt	x	x	15689				
Total	406315				391264				
Present and not voting									
Absent	15051								

The motion to approve the Consent Calendar Items 6A, 6B, and 7-1 through 7-5 (**M.I. No. 53783, 53785 through 53790**) passed by a vote of 391,264 ayes; 0 noes; 0 abstain; 0 not voting; and 15,051 absent.

Directors Ackerman and Smith, using AB 2449 just cause, did not have anyone over the age of 18 present during the vote.

53791 Authorize a \$40 million increase to an existing design-build services agreement with J.F. Shea Construction Inc. to purchase long-lead equipment for the Sepulveda Feeder Pump Stations Project for a new not-to-exceed amount of \$50.4 million (Agenda Item 8-1).

Director Erdman moved, seconded by Director Sutley, that the Board approve the Board Item 8-1 as follows:

Chair Ortega called for a vote on the motion for Agenda Item 8-1 Option 1.

The following is a record of the vote:

Record of Vote on Item:	8-1								
Member Agency	Total Votes	Director	Present	Yes	Yes Vote	No	No Vote	Abstain	Abstain Vote
Anaheim	6306	Faessel	x	x	6306				
Beverly Hills	4677	Pressman							
Burbank	3330	Ramos	x	x	3330				
Calleguas Municipal Water District	13627	McMillan	x	x	13627				
Central Basin Municipal Water District	20265	Garza							
		Crawford	x	x	20265				
		Subtotal:			20265				
Compton	678	McCoy	x	x	678				
Eastern Municipal Water District	12919	Armstrong	x	x	12919				
Foothill Municipal Water District	2543	Bryant	x	x	2543				
Fullerton	2766	Jung	x	x	2766				
Glendale	4165	Kassakhian	x	x	4165				
Inland Empire Utilities Agency	17103	Camacho	x	x	17103				
Las Virgenes	3224	Lewitt	x	x	3224				
Long Beach	6805	Cordero							
Los Angeles	83835	Sutley	x	x	20959				
		Petersen							
		Quinn	x	x	20959				
		Luna	x	x	20959				
		Douglas	x	x	20959				
		Subtotal:			83835				
Municipal Water Dist. of Orange County	68102	Ackerman	x	x	22701				
		Seckel	x	x	22701				
		Dick							
		Erdman	x	x	22701				
		Subtotal:			68102				
Pasadena	4042	Kurtz	x	x	4042				
San Diego County Water Authority	70862	Fong-Sakai	x	x	17716				
		Goldberg	x	x	17716				
		Miller	x	x	17716				
		Smith	x	x	17716				
		Subtotal:			70862				
San Fernando	274	Ortega	x	x	274				
San Marino	836	Morris	x	x	836				
Santa Ana	3569	Phan							
Santa Monica	5055	Gold	x	x	5055				
Three Valleys Municipal Water District	9019	De Jesus	x	x	9019				
Torrance	3781	Lefevre	x	x	3781				
Upper San Gabriel Valley Mun. Wat. Dist.	14079	Fellow	x	x	14079				
West Basin Municipal Water District	28764	Alvarez	x	x	14382				
		Gray	x	x	14382				
		Subtotal:			28764				
Western Municipal Water District	15689	Dennstedt	x	x	15689				
Total	406315				391264				
Present and not voting									
Absent	15051								

The motion to approve the Board Item 8-1 (**M.I. No. 53791**) passed by a vote of 391,264 ayes; 0 noes; 0 abstain; 0 not voting; and 15,051 absent.

Directors Ackerman and Smith, using AB 2449 just cause, did not have anyone over the age of 18 present during the vote.

Director Fong-Sakai disclosed Item 8-2 involves authorizing an agreement with AECOM, she currently owns stock and will recuse herself from all participation in this matter.

Director Fong-Sakai left the meeting.

53792 Authorize an amended and restated agreement with County Sanitation District No. 2 of Los Angeles County for shared implementation of Pure Water Southern California (Agenda Item 8-2).

Director Erdman moved, seconded by Director Morris, that the Board approve the Board Item 8-2 as follows:

Chair Ortega called for a vote on the motion for Agenda Item 8-2 Option 1.

The following is a record of the vote:

Record of Vote on Item:		8-2							
Member Agency	Total Votes	Director	Present	Yes	Yes Vote	No	No Vote	Abstain	Abstain Vote
Anaheim	6306	Faessel	x	x	6306				
Beverly Hills	4677	Pressman							
Burbank	3330	Ramos	x	x	3330				
Calleguas Municipal Water District	13627	McMillan	x	x	13627				
Central Basin Municipal Water District	20265	Garza							
		Crawford	x	x	20265				
			Subtotal:		20265				
Compton	678	McCoy	x	x	678				
Eastern Municipal Water District	12919	Armstrong	x	x	12919				
Foothill Municipal Water District	2543	Bryant	x	x	2543				
Fullerton	2766	Jung	x	x	2766				
Glendale	4165	Kassakhian	x	x	4165				
Inland Empire Utilities Agency	17103	Camacho	x	x	17103				
Las Virgenes	3224	Lewitt	x	x	3224				
Long Beach	6805	Cordero							
Los Angeles	83835	Sutley	x	x	20959				
		Petersen							
		Quinn	x	x	20959				
		Luna	x	x	20959				
		Douglas	x	x	20959				
			Subtotal:		83835				
Municipal Water Dist. of Orange County	68102	Ackerman	x	x	22701				
		Seckel	x	x	22701				
		Dick							
		Erdman	x	x	22701				
			Subtotal:		68102				
Pasadena	4042	Kurtz	x	x	4042				
San Diego County Water Authority	70862	Fong-Sakai							
		Goldberg	x	x	23621				
		Miller	x	x	23621				
		Smith	x	x	23621				
			Subtotal:		70862				
San Fernando	274	Ortega	x	x	274				
San Marino	836	Morris	x	x	836				
Santa Ana	3569	Phan							
Santa Monica	5055	Gold	x	x	5055				
Three Valleys Municipal Water District	9019	De Jesus	x	x	9019				
Torrance	3781	Lefevre	x	x	3781				
Upper San Gabriel Valley Mun. Wat. Dist.	14079	Fellow	x	x	14079				
West Basin Municipal Water District	28764	Alvarez	x	x	14382				
		Gray	x	x	14382				
			Subtotal:		28764				
Western Municipal Water District	15689	Dennstedt	x	x	15689				
Total	406315				391264				
Present and not voting									
Absent	15051								

The motion to approve the Board Item 8-2 (**M.I. No. 53792**) passed by a vote of 391,264 ayes; 0 noes; 0 abstain; 0 not voting; and 15,051 absent.

Fong-Sakai entered the meeting.

53793 Chair Ortega asked if there were questions or need for discussion on Board Information Items 9-1, 9-2, or 9-3. No requests were made.

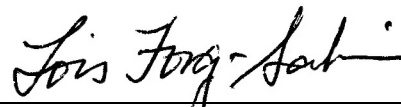
53794 Chair Ortega asked if there were any Follow-Up Items. Director Camacho requested a status report on the design of the first pipeline for the Pure Water Conveyance Project.

53795 Chair Ortega asked if there were any Future Agenda Items. Directors Fellow and Armstrong a review of the major project costs for the Sites Reservoir, Delta Conveyance, and Pure Water.


Chair Ortega, Director Quinn, and staff responded.

Director Phan stated her presence at the meeting.

53796 There being no objection, the meeting was adjourned at 1:34 p.m.



LOIS FONG-SAKAI
BOARD SECRETARY



ADÁN ORTEGA, JR.
CHAIR OF THE BOARD



- **Board of Directors**
Engineering, Operations, and Technology Committee

10/8/2024 Board Meeting

7-1

Subject

Award a \$589,957 procurement contract to Vogt Valves for one sleeve valve to be installed at the Red Mountain Pressure Control Structure in the Skinner service area; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

The Red Mountain Pressure Control Structure (PCS) contains two 42-inch diameter sleeve valves, which are used to control the flow and pressure in San Diego Pipeline No. 5 (SDPL5) when the adjacent power plant is offline. The existing valves have been in continuous service for over 40 years. One of the two valves was refurbished by Metropolitan staff in 2022. During a recent inspection, it was determined that the second valve has deteriorated to the point that it cannot be refurbished and consequently needs to be replaced.

This action awards a \$589,957 procurement contract to Vogt Valves for furnishing one 42-inch diameter sleeve valve to be installed at Red Mountain PCS by Metropolitan staff. See **Attachment 1** for the allocation of funds, **Attachment 2** for the Abstract of Bids, and **Attachment 3** for the Location Map.

Proposed Action(s)/Recommendation(s) and Options

Staff Recommendation: Option #1

Option #1

Award a \$589,957 procurement contract to Vogt Valves to furnish one 42-inch diameter stainless steel sleeve valve for the Red Mountain Pressure Control Structure.

Fiscal Impact: Expenditure of \$800,000 in capital funds. All costs will be incurred in the current biennium and have been previously authorized.

Business Analysis: This option will enhance the operational reliability of water deliveries in the Skinner service area.

Option #2

Do not proceed with the project at this time.

Fiscal Impact: None

Business Analysis: This option would forego enhancing the reliability of service in the Skinner service area.

Alternatives Considered

Staff considered refurbishing the existing 42-inch diameter sleeve valve in a similar fashion to the first valve that was successfully refurbished. However, upon inspection, it was determined that the valve had deteriorated to the point that refurbishment was no longer a cost-effective alternative. The observed deterioration to the valve consisted of cracks to the valve cover, inner and outer valve body, severely worn bearings, and misalignment of the operator stem housing. The selected option to procure and install a new valve will improve operational flexibility within the Skinner service area.

Applicable Policy

Metropolitan Water District Administrative Code Section 8121: General Authority of the General Manager to Enter Contracts

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Related Board Action(s)/Future Action(s)

By Minute Item 53598, dated April 8, 2024, the Board appropriated a total of \$636.48 million for projects identified in the Capital Investment Plan for Fiscal Years 2024/2025 and 2025/2026.

By Minute Item 53278, dated June 13, 2023, the Board authorized the upgrades to the Auld Valley and Red Mountain Control Structures.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

On June 13, 2023, the Board approved upgrades to the Red Mountain Control Structure, and the General Manager determined the project to be exempt from CEQA pursuant to Sections 15301, 15302, and 15306 of the State CEQA Guidelines. The current board action does not result in any substantial change to the project. Accordingly, no further CEQA determinations or documentation are necessary.

CEQA determination for Option #2:

None required

Details and Background

Background

SDPL5 begins at Lake Skinner and extends approximately 18 miles south to the delivery point in San Diego County. The pipeline is 96 inches in diameter with both prestressed concrete and welded steel pipe sections. It supplies up to 500 cfs of untreated water to the San Diego County Water Authority.

Flows in SDPL5 are regulated at the Red Mountain PCS or the adjacent hydroelectric power plant. The power plant may be taken offline if the pipeline flow is higher or lower than the turbine's operating range, for routine maintenance, or due to a power utility outage. In these cases, flow is regulated at the Red Mountain PCS. The Red Mountain PCS was constructed in 1981 and includes two 66-inch diameter pipes, which are each fitted with 42-inch diameter sleeve valves. These valves are used to reduce pressure and regulate flows within the pipelines.

An inspection of the PCS found that the two sleeve valves have extensive wear and tear and require rehabilitation. The first sleeve valve at the Red Mountain PCS was refurbished under the Minor Capital Program in 2022. The second valve was discovered to be structurally compromised. Staff attempted to repair the valve, but the deterioration was beyond repair. Since the PCS does not include isolation valves on either side of the sleeve valves, isolation bulkheads were installed so that the operation of the Red Mountain PCS could resume. When a valve is removed and the bulkheads are installed, the PCS can only operate at reduced flow rates. Currently, the Red Mountain PCS is only able to operate at one-half capacity until the new valve is installed.

In June 2023, Metropolitan's Board amended the Capital Investment Plan for Fiscal Years 2022/2023 and 2023/2024 to include replacement of the severely deteriorated valve with a new valve at the Red Mountain PCS. Specifications for the fabrication of the sleeve valve have been completed, and staff recommends the award of a procurement contract at this time.

Red Mountain Pressure Control Structure Upgrades – Procurement and Installation

The scope of the procurement contract includes furnishing one 42-inch diameter sleeve valve, its actuator, associated fittings, and accessories. Metropolitan forces will receive, offload, and place the valve in storage at Metropolitan's Lake Skinner Yard.

A total of \$800,000 is required to perform this work. In addition to the amount of the procurement contract described below, the allocated funds for Metropolitan staff include \$69,300 for factory fabrication inspection and functional testing; \$45,000 for submittals review and responding to manufacturer requests for information; \$67,000 for contract administration and project management; and \$28,743 for remaining budget.

Attachment 1 provides the allocation of the required funds.

Award of Procurement Contract

Specifications No. 2098 for furnishing one stainless steel sleeve valve for the Red Mountain PCS was advertised for bids on April 30, 2024. As shown in **Attachment 2**, three bids were received and opened on July 11, 2024. The bid from Vogt Valves in the amount of \$589,957 complies with the requirements of the specifications. This amount includes all sales and use taxes imposed by the state of California. The budgetary estimate for this material, based on a survey of vendors, ranged from \$570,000 to \$700,000.

This action awards a \$589,957 procurement contract to Vogt Valves to furnish one stainless steel sleeve valve for Red Mountain PCS. As a procurement contract, there are no subcontracting opportunities, and no Small Business Enterprise participation level was established for this contract.

Project Milestone

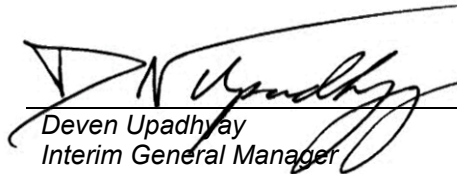
June 2025 – Delivery of 42-inch diameter sleeve valve



Mai M. Hattar
Interim Chief Engineer
Engineering Services

9/17/2024

Date



Deven Upadhyay
Interim General Manager

9/18/2024

Date

Attachment 1 – Allocation of Funds

Attachment 2 – Abstract of Bids

Attachment 3 – Location Map

Ref# es12696031

Allocation of Funds for Red Mountain Pressure Control Structure Upgrades

	Current Board Action (Oct 2024)
Labor	
Studies & Investigations	\$ -
Final Design	-
Owner Costs	67,000
Submittals Review & Record Drwgs.	45,000
Construction Inspection & Support	69,300
Metropolitan Force Construction	
Materials & Supplies	-
Incidental Expenses	-
Professional/Technical Services	-
Right-of-Way	-
Equipment Use	-
Contracts	-
Vogt Valves	589,957
Remaining Budget	28,743
Total	\$ 800,000

The total amount expended to date for the Red Mountain Pressure Control Structure Upgrades is approximately \$120,000. The total estimated cost to complete the work, including the amount appropriated to date, funds allocated for the work described in this action, and future construction costs, is anticipated to range from \$1 million to 1.25 million.

The Metropolitan Water District of Southern California**Abstract of Bids Received on July 11, 2024, at 2:00 P.M.****Specifications No. 2098****Furnishing 42-inch Sleeve Valve for Red Mountain Pressure Control Structure**

The work includes furnishing and delivery of a 42-inch sleeve valve and actuator for the Red Mountain Pressure Control Structure.

Bidder and Location	Base Bid Price Total^{1,2}
Vogt Valves Stafford, TX	\$589,957
Sojitz Machinery Corporation of America Farmington, Hills	\$727,792
B&K Valves & Equipment Inc. Carlsbad, CA	\$3,344,948

¹ As a procurement contract, there are no subcontracting opportunities.

² Includes sales and use taxes of 7.75 percent imposed by the state of California





Engineering, Operations, & Technology Committee

Red Mountain Pressure Control Structure Sleeve Valve Procurement

Item 7-1

October 7, 2024

Item 7-1

Red Mountain PCS Sleeve Valve Procurement

Subject

Award a \$589,957 procurement contract to Vogt Valves for one sleeve valve to be installed at the Red Mountain Pressure Control Structure (PCS) in the Skinner service area

Purpose

Improves operational reliability

Recommendation and Fiscal Impact

Award a procurement contract for a large-diameter valve

Fiscal Impact – \$800,000

Budgeted

Location Map



Vicinity Map



Red Mountain PCS Sleeve Valve Procurement



Sleeve valve assembly
w/ actuator

Background

- Red Mountain PCS
 - Includes two 66-inch diameter pipes with 42-inch diameter sleeve valves
 - Valves used to regulate pressure & flows in San Diego Pipeline No. 5 (SDPL5)
 - SDPL 5 supplies up to 500 cfs of untreated water to San Diego County Water Authority

Inspection

- Two sleeve valves with extensive wear & tear
 - First rehabilitated in 2022
 - Second structurally compromised
- Currently only one valve installed
 - No isolation valves
 - Bulkhead installed in place of damaged valve
 - Limits operation to about half capacity



Crack on the
valve body



Liquid penetrant testing
on valve body

Red Mountain PCS Sleeve Valve Procurement

Scope of Work

- Vendor
 - Fabricate & deliver 42-inch diameter sleeve valve & actuator, associated fittings & accessories
- Metropolitan
 - Factory fabrication inspection & functional testing
 - Submittals review
 - Off-load & store valve
 - Contract administration & project management

Red Mountain PCS Sleeve Valve Procurement

Alternatives Considered

- Valve Refurbishment
 - Extensive damage to valve body
 - Repair not cost-effective
 - Life span less than 5 years
- Selected Alternative – New sleeve valve
 - Ensures a longer useful life
 - Improves reliability

Bid Results

Specifications No. 2098

Bids Received	July 11, 2024
No. of Bidders	3
Lowest Responsible Bidder	Vogt Valves
Low Bid*	\$589,957
Range of Other Bids*	\$727,792 to \$3,344,948

*No SBE (Small Business Enterprise) participation level set for procurement contract

Note: Includes sales & use taxes of 7.75 percent imposed by the state of California

Allocation of Funds

Red Mountain PCS Rehabilitation

Metropolitan Labor

Owner Costs (Proj. Mgmt., Contract Admin.)	\$ 67,000
Submittals Review, Tech. Support, Record Dwgs.	45,000
Fabrication Inspection & Support	69,300

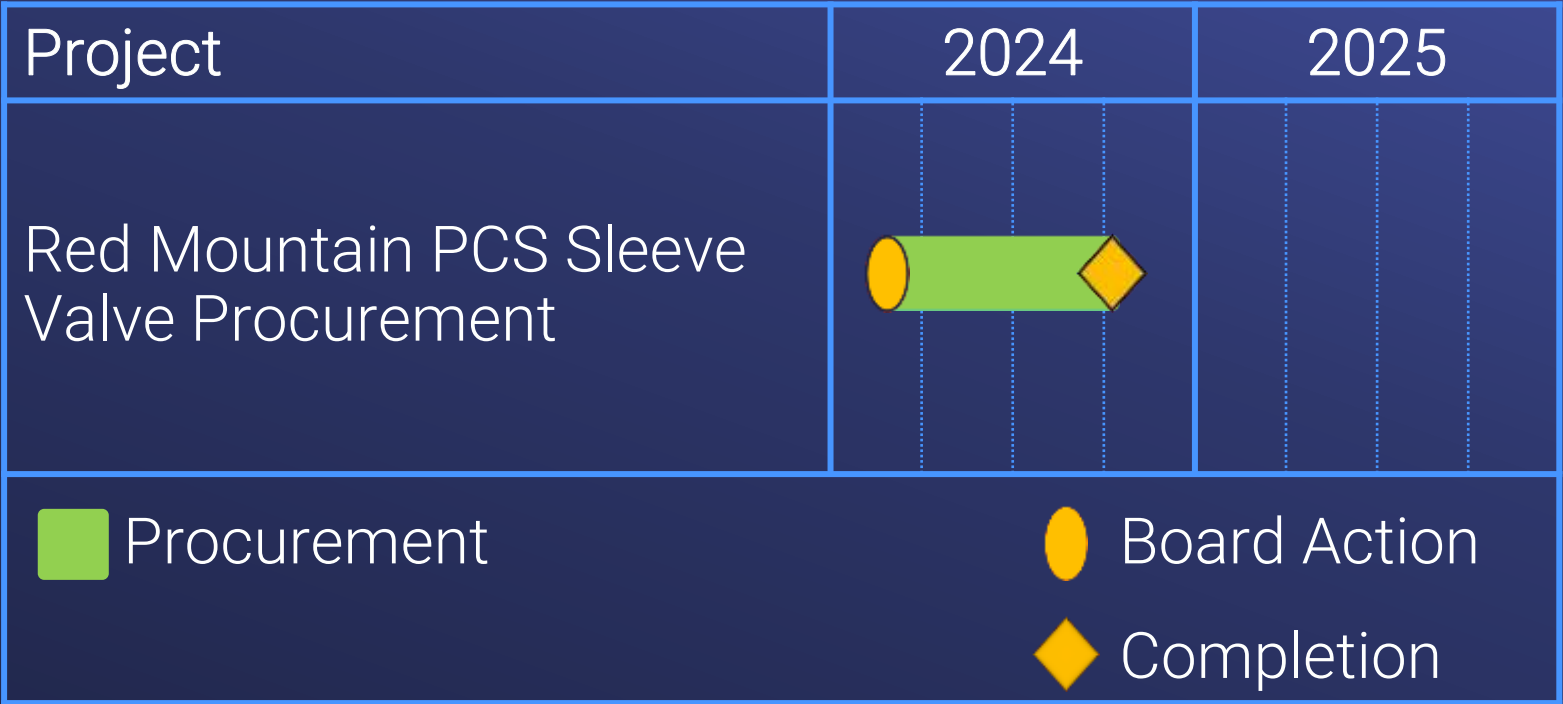
Contract

Vogt Valves	589,957
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Remaining Budget	28,743
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Total	\$ 800,000
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Project Schedule



Note: Valve to be installed during future shutdown

Board Options

- Option #1
Award a \$589,957 procurement contract to Vogt Valves to furnish one 42-inch diameter stainless steel sleeve valve for the Red Mountain Pressure Control Structure.
- Option #2
Do not proceed with the project at this time.

Staff Recommendation

- Option #1





- **Board of Directors**
Engineering, Operations, and Technology Committee

10/8/2024 Board Meeting

7-2

Subject

Award a \$1,833,650 construction contract to Power Engineering Construction Company for San Diego Canal Concrete Liner Rehabilitation; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

The San Diego Canal conveys untreated water to Lake Skinner and the Robert A. Skinner Water Treatment Plant (Skinner plant). During an inspection in early 2024, an area of the canal was observed to be in need of rehabilitation. The concrete liner has deteriorated and cracked at this location, and further deterioration could impact water deliveries to the Skinner plant and member agencies in Riverside and San Diego Counties. This action authorizes a \$1,833,650 construction contract to Power Engineering Construction Company to rehabilitate approximately 11,000 square feet of San Diego Canal concrete liner during a planned 2024/2025 shutdown. See **Attachment 1** for the Allocation of Funds, **Attachment 2** for the Abstract of Bids, **Attachment 3** for the List of Subcontractors, and **Attachment 4** for the Location Map.

Proposed Action(s)/Recommendation(s) and Options

Staff Recommendation: Option #1

Option #1

Award a \$1,833,650 contract to Power Engineering Construction Company to rehabilitate the San Diego Canal at one location.

Fiscal Impact: Expenditure of \$2,660,000 in capital funds. All costs will be incurred in the current biennium and have been previously authorized.

Business Analysis: This option will improve the operational reliability of the San Diego Canal and mitigate against the risk of unplanned outages.

Option #2

Do not proceed with the project at this time.

Fiscal Impact: None

Business Analysis: This option would forego the opportunity to increase the operational reliability of the San Diego Canal.

Alternatives Considered

An alternative to awarding this construction contract is to have Metropolitan forces complete the construction of the project. Although Metropolitan forces have completed this type of work before, this alternative is not recommended because the work will be conducted simultaneously with the annual Colorado River Aqueduct (CRA) shutdown. During the CRA shutdown, Metropolitan forces are focused on maintenance work, which must be planned prior to the shutdown and executed during the shutdown. The selected option will utilize a contractor

to perform the rehabilitation work at the canal to allow Metropolitan staff to focus on maintenance activities planned for the annual CRA shutdown.

Applicable Policy

Metropolitan Water District Administrative Code Section 8121: General Authority of the General Manager to Enter Contracts

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Related Board Action(s)/Future Action(s)

By Minute Item 53598, dated April 9, 2024, the Board appropriated a total of \$636.5 million for projects identified in the CIP for Fiscal Years 2024/2025 and 2025/2026.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is exempt from CEQA because the action consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features involving negligible or no expansion of existing or former use and no possibility of significantly impacting the physical environment. In addition, the proposed action consists of construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures; and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure. Finally, the proposed action consists of minor public or private alterations in the condition of land, water, and/or vegetation, which do not involve removal of healthy, mature, scenic trees except for forestry or agricultural purposes. (State CEQA Guidelines Sections 15301, 15303, and 15304).

CEQA determination for Option #2:

None required

Details and Background

The San Diego Canal is a concrete-lined open channel with a trapezoidal cross-section that conveys Colorado River water from the Casa Loma Canal or State Water Project supplies from the Lakeview pipeline to Lake Skinner. The San Diego Canal was constructed in the 1950s and is approximately 15 feet deep, 50 feet wide, and 16 miles long. The canal has a concrete lining made up of individual concrete panels that are approximately 12 feet by 11 feet and vary from four to eight inches in thickness.

The San Diego Canal is routinely shut down and inspected for signs of deterioration and to perform needed repairs. Replacement of deteriorated concrete panels typically occurs in upcoming shutdown seasons following the inspection. If more work is identified than can be completed during the shutdown, the work is prioritized and completed in consecutive years. Inspections in 2019 and 2021 identified degraded portions of the concrete liner, and staff prioritized locations for rehabilitation. Construction at three locations was completed in March 2024.

A degraded portion of the concrete liner has been identified approximately 200 feet downstream of the interconnection between the San Diego Canal and the Casa Loma Canal. At this site, a section of the canal approximately 145 feet in length was identified to have visible cracking along the invert and side panels, groundwater intrusion, panel bulging, and uplift. The rehabilitation work consists of demolition of the damaged liner panels, over-excavation of the subgrade and backfill with aggregate base, and installation of new concrete liner panels. Additionally, weep holes will be installed on invert panels to relieve pore pressure that pushes up on the bottom of the concrete liner when the canal is dewatered due to saturated subgrade soils.

The final design for rehabilitation is complete. Staff recommends proceeding with construction of the liner rehabilitation at this time to improve the reliability of the San Diego Canal and protect against liner failures, which could cause a disruption in service to the Skinner plant and member agencies.

San Diego Canal Concrete Liner Rehabilitation – Construction

The scope of the contract includes the removal and replacement of concrete panels totaling approximately 11,000 square feet on the San Diego Canal and the installation of 24 total weep holes in the invert of the canal. The existing subgrade soil at this location will be over-excavated to a depth of 18 inches and backfilled with aggregate base material. Steel reinforcing will be added to the new concrete panels. Metropolitan forces will perform shutdown work on the canal, including dewatering of the canal in preparation for the contractor's work. The work will be performed during a planned shutdown, which is scheduled to start in February 2025.

A total of \$2,660,000 is required for this work. In addition to the amount of the construction contract described below, allocated funds for Metropolitan staff include \$177,000 for submittal review and preparation of record drawings; \$95,000 for Metropolitan force work, as described above; \$229,000 for construction management and inspection; \$228,000 for contract administration, environmental support, and project management; and \$97,350 for the remaining budget. **Attachment 1** provides the allocation of the required funds. The total cost to complete the canal concrete liner rehabilitation, including the amount appropriated to date, and funds allocated for the work described in this action, is approximately \$3 million.

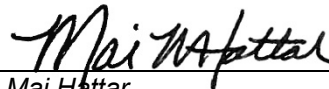
Award of Construction Contract (Power Engineering Construction Company)

Specifications No. 2119 for San Diego Canal Concrete Liner Rehabilitation was advertised for bids on August 6, 2024. As shown in **Attachment 2**, seven bids were received and opened on September 10, 2024. The low bid from Power Engineering Construction Company, in the amount of \$1,833,650, complies with the requirements of the specifications. The other bids ranged from \$2,100,444 to \$4,000,000, while the engineer's estimate for this project was \$5,090,000. Staff investigated the cost difference between the engineer's estimate and the low bid and attributed the difference to a conservative engineer's estimate based on the short shutdown window and unknown groundwater levels. The contractor's competitive bid reflects a familiarity with the type of work required, as well as their ability to quickly mobilize and complete work expeditiously since they are currently working with Metropolitan on a contract at Diamond Valley Lake. For this contract, Metropolitan established a Small Business Enterprise participation level of at least 25 percent of the contract amount. Power Engineering Construction Company has agreed to meet this level of participation. The subcontractors for this contract are listed in **Attachment 3**.

Metropolitan staff will perform construction management and inspection. Engineering Services' performance metric target range for construction management and inspection of projects with construction greater than \$3 million is 9 to 12 percent. For this project, the performance metric goal for inspection is 11.9 percent of the total construction cost. The total cost of construction for this project is \$1,928,650, which includes the cost of the contract (\$1,833,650) and Metropolitan force work (\$95,000).

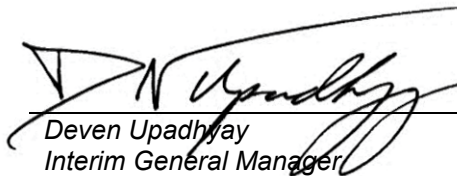
Project Milestone

April 2025 – Completion of construction



Mai Hattar
Interim Chief Engineer
Engineering Services

9/18/2024

Date

Deven Upadhyay
Interim General Manager

9/23/2024

*Date***Attachment 1 – Allocation of Funds****Attachment 2 – Abstract of Bids****Attachment 3 – Subcontractors for Low Bidder****Attachment 4 – Location Map**

Ref# Es12696256

Allocation of Funds for San Diego Canal Liner Rehabilitation

	Current Board Action (Oct. 2024)
Labor	
Studies & Investigations	\$ -
Final Design	-
Owner Costs (Program mgmt., envir. monitoring)	228,000
Submittals Review & Record Drwgs.	177,000
Construction Inspection & Support	229,000
Metropolitan Force Construction	95,000
Materials & Supplies	-
Incidental Expenses	-
Professional/Technical Services	-
Right-of-Way	-
Equipment Use	-
Contracts	
Power Engineering Construction Co.	1,833,650
Remaining Budget	97,350
Total	\$ 2,660,000

The total amount expended to date is approximately \$300,000. The total estimated cost to complete rehabilitation of the San Diego Canal, including the amount appropriated to date and funds allocated for the work described in this action, is approximately \$3 million.

The Metropolitan Water District of Southern California

Abstract of Bids Received on September 10, 2024, at 2:00 P.M.

Specifications No. 2119

San Diego Canal Liner Rehabilitation

The work includes rehabilitation of approximately 11,000 square feet of concrete liner in the San Diego Canal.

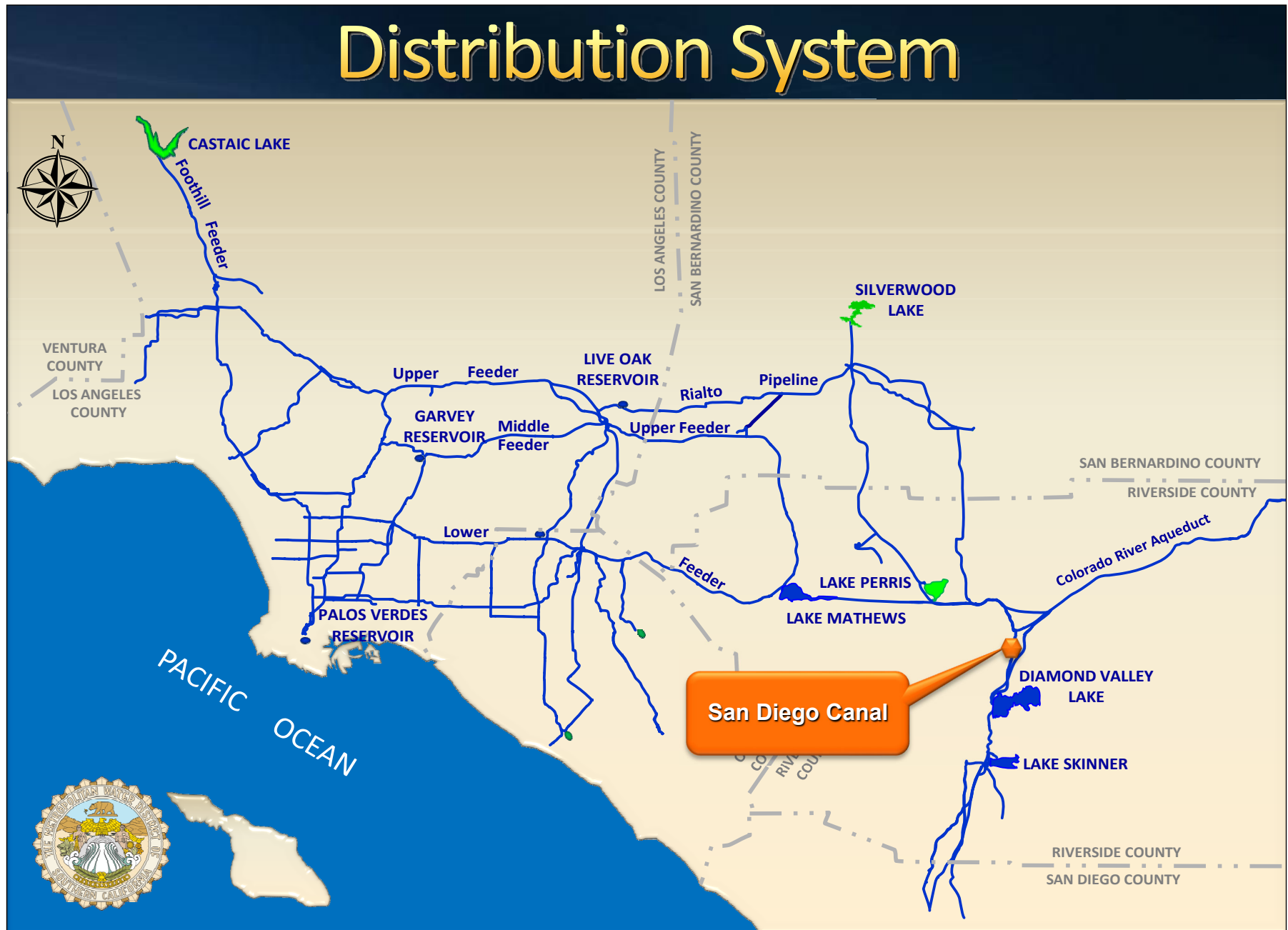
Engineer's estimate: \$5,090,000

Bidder and Location	Total	SBE \$	SBE %	Met SBE¹
Power Engineering Construction Company Alameda, CA	\$1,833,650	\$459,457	25%	Yes
Bosco Constructors Inc. Chatsworth, CA	\$2,100,444	-	-	-
Houalla Enterprises Ltd. Newport Beach, CA	\$2,339,749	-	-	-
Myers and Sons Construction LLC Sacramento, CA	\$2,410,430	-	-	-
Leonida Builders Inc. Santa Clarita, CA	\$2,488,500	-	-	-
Lucas Builder Inc. La Habra, CA	\$2,768,853	-	-	-
J&L Constructors Inc. Huntington Beach, CA	\$4,000,000	-	-	-

¹ Small Business Enterprise (SBE) participation level established at 25 percent for this contract.

The Metropolitan Water District of Southern California**Subcontractors for Low Bidder****Specifications No. 2119
San Diego Canal Liner Rehabilitation****Low bidder: Power Engineering Construction Company**

Subcontractor	Service Category; Specialty
GGG Demolition Inc. Orange, CA	Abatement of hazardous materials and demolition
Morning Star Concrete Menifee, CA	Concrete
Quality Rebar Inc. San Jacinto, CA	Furnish, fabricate and place reinforcing bars and welded wire mesh
Trinity Equipment Colton, CA	Equipment rental
Dirty Deedz Dumping Los Angeles, CA	Trucking
Genesis Dispatch Inc. Los Angeles, CA	Trucking





Engineering, Operations, & Technology Committee

San Diego Canal Concrete Rehabilitation

Item 7-2

October 7, 2024

Item 7-2

San Diego Canal Concrete Rehabilitation

Subject

Award a \$1,833,650 construction contract to Power Engineering Construction Company for San Diego Canal Concrete Liner Rehabilitation at one location

Purpose

Improves the operational reliability of the canal and mitigates against the risk of unplanned outages

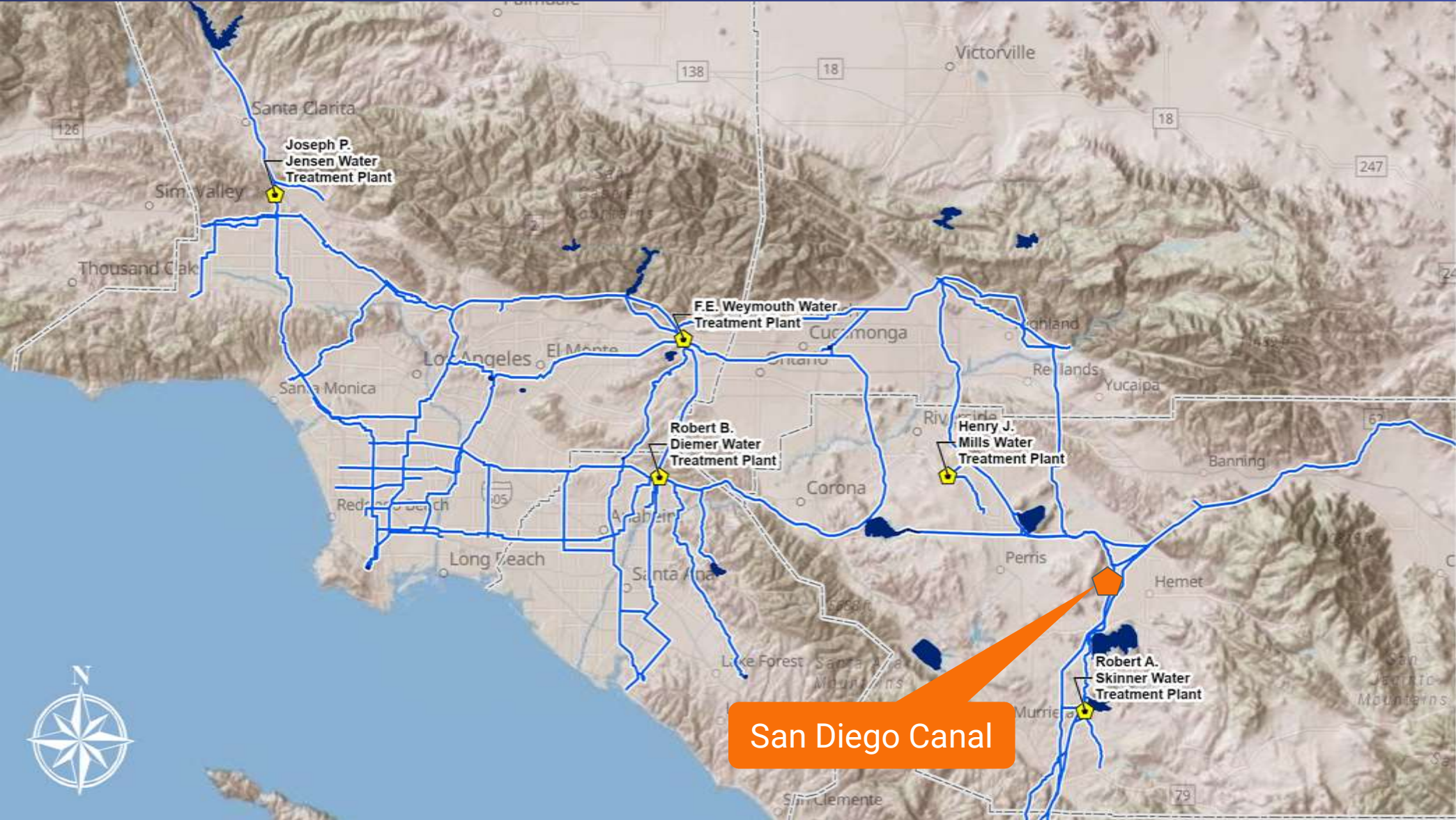
Recommendation and Fiscal Impact

Award a construction contract

Fiscal Impact – \$2,660,000

Budgeted

Location Map



Background

- San Diego Canal constructed in 1950s
 - Trapezoidal cross section
 - 15 feet deep, 50 feet wide, & 16 miles long
 - Concrete lining with individual panels
 - 12 feet by 11 feet
 - 4 to 8 inches thick



San Diego Canal

Background

- Inspections identify & prioritize rehabilitation locations
- 2024 inspection identified site requiring rehabilitation
 - Approx. 200 feet downstream of Casa Loma Canal interconnection
 - Visible cracking, groundwater intrusion, panel bulging & uplift



Damaged concrete liner

Alternatives Considered

- Identified Alternative - Construction by Metropolitan forces
 - CRA shutdown occurs simultaneously with San Diego Canal shutdown
 - Metropolitan forces not available due to CRA maintenance activities
- Selected Alternative – Contractor to complete construction
 - Allows Metropolitan staff to focus on CRA shutdown work



March 2024 Construction

Scope of Work

- Contractor
 - Demolition of damaged liner panels
 - Over-excavation & aggregate base backfill
 - Installation of new reinforced concrete liner panels totaling approximately 11,000 sf
- Metropolitan
 - Canal dewatering
 - Construction management
 - Contract admin., technical support, & project management



March 2024 Construction

Bid Results

Specifications No. 2119

Bids Received	September 10, 2024
No. of Bidders	7
Lowest Responsible Bidder	Power Engineering Construction Company
Low Bid	\$1,833,650
Range of Other Bids	\$2,100,444 to \$4,000,000
Engineer's Estimate	\$5,090,000
SBE Participation*	25%

*SBE (Small Business Enterprise) participation level set at 25%

Allocation of Funds

San Diego Canal Concrete Rehabilitation

Metropolitan Labor		
Owner Costs (Proj. Mgmt., Contract Admin., Envir. Support)	\$	228,000
Construction Inspection & Support		229,000
Force Construction		95,000
Submittals Review, Tech. Support, Record Dwgs.		177,000
Contracts		
Power Engineering Construction Company		1,833,650
Remaining Budget		97,350
Total		\$ 2,660,000

Project Schedule

Project	2024	2025
San Diego Canal Concrete Rehabilitation		
<div><div></div> Construction</div> <div><div></div> Board Action</div> <div><div></div> Completion</div>		

Board Options

- Option #1
Award a \$1,833,650 contract to Power Engineering Construction Company to rehabilitate the San Diego Canal at one location.
- Option #2
Do not proceed with the project at this time.

Staff Recommendation

- Option #1





- **Board of Directors**
Engineering, Operations, and Technology Committee

10/8/2024 Board Meeting

7-3

Subject

Award a \$448,000 contract to Heed Engineering to provide construction materials to support the construction of the helicopter hydrant facility at the Robert B. Diemer Water Treatment Plant; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

In November 2023, Metropolitan and the Yorba Linda Water District (YLWD) signed a memorandum of understanding (MOU) outlining the commitment to jointly fund and construct a helicopter hydrant facility at the Robert B. Diemer Water Treatment Plant (Diemer plant). The project will be partially funded by a \$500,000 grant previously awarded by the United States Forest Service (USFS) to YLWD to construct the facility. Metropolitan is now a subrecipient of the grant and the grant funds will be used to defray Metropolitan's cost for the project.

A helicopter hydrant facility consists of an open-top tank and support infrastructure that allows helicopters to quickly collect water to fight nearby fires. In accordance with the MOU, Metropolitan will perform the design, procurement, and construction activities related to the facility. To date, design has been completed, and fabrication of the helicopter hydrant tank is underway; the tank is scheduled to be delivered in January 2025. Staff recommends proceeding with a contract to furnish construction materials and install reinforcing steel to expedite site preparation for the tank foundation and the helicopter pad.

This action awards a \$448,000 contract to Heed Engineering to provide construction materials and install reinforcing steel to support construction of the helicopter hydrant facility at the Diemer plant. See **Attachment 1** for the allocation of funds, **Attachment 2** for the Abstract of Bids, and **Attachment 3** for the Location Map.

Proposed Action(s)/Recommendation(s) and Options

Staff Recommendation: Option #1

Option #1

Award a \$448,000 contract to Heed Engineering to provide construction materials and install reinforcing steel to support the construction of the helicopter hydrant facility at the Diemer plant.

Fiscal Impact: Expenditure of \$500,000 in capital funds. All costs will be incurred in the current biennium and have been previously authorized.

Business Analysis: This option will expedite construction of the Diemer helicopter hydrant facility.

Option #2

Do not award the contract at this time.

Fiscal Impact: Unknown

Business Analysis: Under this option, staff would not procure construction materials and instead prepare a construction contract for the entire project. This option would delay the construction of the hydrant facility

beyond the timeline to qualify for the use of grant funds and implementation of a critical fire protection facility.

Alternatives Considered

During design, staff considered the feasibility of completing all the construction work for the Diemer helicopter hydrant facility under a construction contract. In accordance with the terms of the MOU, the project will be partially funded by a \$500,000 grant previously awarded by the USFS to YLWD to construct a new helicopter hydrant in the area. The timeframe for preparation of construction documents, bidding, and performing the work by a contractor would extend the project completion beyond the allowable time of the USFS grant, whose finish date is March 31, 2025. The current approach is to proceed with site preparation while the tank is being fabricated. Then Metropolitan forces will install the tank. This allows staff to complete the project within the timeline established by the USFS to access the grant funding and expedites the construction of an important fire protection facility.

Applicable Policy

Metropolitan Water District Administrative Code Section 8121: General Authority of the General Manager to Enter Contracts

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Related Board Action(s)/Future Action(s)

By Minute Item 53248, dated May 9, 2023, the Board amended the Capital Investment Plan for Fiscal Years 2022/23 and 2023/24 to include the Diemer Helicopter Hydrant Facility project.

By Minute Item 53598, dated April 8, 2024, the Board appropriated a total of \$630 million for projects identified in the Capital Investment Plan for Fiscal Years 2024/25 and 2025/26.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is exempt from CEQA because it involves the operation and minor alteration of existing public facilities and topographical features, involving negligible or no expansion of existing or former use and no possibility of significantly impacting the physical environment. (State CEQA Guidelines Section 15301.) Additionally, the proposed action is exempt from CEQA because it consists of construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures; and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure. (State CEQA Guidelines Section 15303.)

CEQA determination for Option #2:

None required

Details and Background

Background

The Diemer plant was placed into service in 1963 with an initial capacity of 200 million gallons per day (mgd) and was expanded in 1969 to its present capacity of 520 mgd. It delivers a blend of waters from the Colorado River Aqueduct and State Water Project to Metropolitan's Central Pool and to an exclusive service area in Orange County. The Diemer plant is located within the City of Yorba Linda, and is immediately adjacent to the Chino Hills Start Park, which features a hilly, steep terrain populated by dense trees and vegetation.

In November 2008, the Freeway Complex fire burned westward from Corona past the Diemer plant. Slopes on the east, north, and west sides of the plant were burned, which prompted the Orange County Fire Authority (OCFA) to classify the Diemer site as a high fire hazard risk area. Following this event, Metropolitan retrofitted the Diemer plant's control room with new fire protection measures, including the addition of an independent high-

efficiency heating, ventilating, and air conditioning system to enhance smoke control in the event of a local fire occurrence. The new system allowed staff to continue plant operations during the October 2020 wildfires, which occurred within one mile of the Diemer site.

In recent years, Metropolitan staff continued to assess potential initiatives to enhance safety and reduce the risk of damage or disruption to plant operations in the event of a fire. In May 2023, Metropolitan's Board authorized the implementation of a helicopter hydrant facility at the Diemer plant site, which includes an engineered water tank system to allow helicopters to quickly collect water to fight nearby fires.

In November 2023, Metropolitan and YLWD signed an MOU to jointly fund, design, and construct the Diemer helicopter hydrant facility. In accordance with the terms of the MOU, Metropolitan will perform the design, procurement, and construction activities, and YLWD will provide up to \$500,000 in grant funding previously granted by the USFS to construct a new helicopter hydrant in the area. YLWD will also provide support during design and construction and coordination with the California Department of Forestry and Fire Protection and OCFA to ensure design and operational conditions are acceptable to both agencies. Metropolitan will own and operate the facility after construction is completed. In March 2024, the USFS officially included Metropolitan as a subrecipient of the grant.

To date, the design of the Diemer helicopter hydrant facility has been completed and the procurement contract for the helicopter hydrant tank was awarded under the General Manager's authority. The tank has been custom designed based on its planned operating conditions and control requirements. Manufacture of the tank is underway and is anticipated to be completed in January 2025. Staff recommends moving forward with a contract to furnish materials and install steel reinforcement so that site preparation work, including trenching, grading, and construction of the tank foundation and the helicopter landing pad, can be completed in anticipation of the planned delivery of the tank.

Diemer Helicopter Hydrant Facility Project – Procurement

Planned work by Metropolitan forces for the helicopter hydrant includes the addition of a new 15-foot by 8-foot open-top water holding tank, including piping connections to source water, valves, an auxiliary hydrant, electric power, and data connections; integration into the SCADA control system; trenching for utilities; equipment concrete platform and a concrete helicopter landing pad.

The scope of the procurement contract consists of furnishing sand, ballast rock, aggregate base, slurry, ready-mix concrete, and reinforcing steel, and installing the reinforcing steel. Metropolitan will perform site preparation for placement of reinforcing steel by the vendor, and placement of vendor-furnished aggregate materials.

A total of \$500,000 is required for this work. In addition to the amount of the contract subject of this action, allocated funds include \$15,000 for construction inspection of the steel reinforcement installation; \$25,000 for submittal review, contract administration and project management; and \$12,000 for remaining budget.

Attachment 1 provides the allocation of the required funds.

Award of Procurement Contract (Heed Engineering)

Specifications No. 2142 for furnishing aggregate base materials and ready-mix concrete and furnishing and installing reinforcing steel for the Diemer plant's helicopter hydrant facility was advertised for bids on August 15, 2024. As shown in **Attachment 2**, four bids were received and opened on August 29, 2024. The apparent low bid was deemed to be non-responsive due to the submittal of an incomplete bid and lack of the required California contractor's license. The lowest responsive bid from Heed Engineering in the amount of \$448,000 complies with the requirements of the specification. The other two bids were \$543,400 and \$1,137,000, while the engineer's estimate was \$610,000. For this contract, Metropolitan established a Small Business Enterprise (SBE) participation level of at least 25 percent of the bid amount. Heed Engineering is a certified SBE firm and thus achieves 100 percent SBE participation.

This action awards a \$448,000 contract to Heed Engineering to provide construction materials and install reinforcing steel to support construction of a helicopter hydrant facility at the Diemer plant.

Project Milestone

November 2024 – Delivery of construction materials



Mai M. Hattar
Interim Chief Engineer
Engineering Services

9/19/2024

Date



Deven Upadhyay
Interim General Manager

9/23/2024

*Date***Attachment 1 – Allocation of Funds****Attachment 2 – Abstract of Bids****Attachment 3 – Location Map**

Ref# es12701163

Allocation of Funds for Diemer Helicopter Hydrant Facility

	Current Board Action (Oct. 2024)
Labor	
Studies & Investigations	\$ -
Final Design	-
Owner Costs (Program mgmt., envir. monitoring)	25,000
Submittals Review & Record Drwgs.	-
Construction Inspection & Support	15,000
Metropolitan Force Construction	-
Materials & Supplies	-
Incidental Expenses	-
Professional/Technical Services	-
Right-of-Way	-
Equipment Use	-
Contracts	-
Heed Engineering	448,000
Remaining Budget	12,000
Total	\$ 500,000

The total amount expended to date for the Diemer plant's helicopter hydrant facility is approximately \$530,000. The total estimated cost to complete the project, including the amount appropriated to date, and funds allocated for the work described in this action is \$1.5 million, which includes \$500,000 in USFS grant funds.

The Metropolitan Water District of Southern California

Abstract of Bids Received on August 29, 2024, at 2:00 P.M.

Specifications No. 2142

Diemer Helicopter Hydrant Construction Materials and Rebar Installation

The work includes furnishing aggregate base materials, ready-mix concrete, and reinforcing steel; and installing reinforcing steel at the Robert B. Diemer Water Treatment Plant.

Engineer's estimate: \$610,000

Bidder and Location	Total	SBE \$	SBE %	Met SBE¹
Co Brothers LLC ² Riverside, CA	\$398,000	-	-	-
Heed Engineering Foothill Ranch, CA	\$448,000	\$448,000	100%	Yes
Penta Inc. San Dimas, CA	\$543,400	-	-	-
Minako America Corporation Gardena, CA	\$1,137,000	-	-	-

¹ Small Business Enterprise (SBE) participation level established at 25% for this contract.

² Contract bid was incomplete and contractor did not have the required California contractor's license





Engineering, Operations, & Technology Committee

Diemer Helicopter Hydrant Facility

Item 7-3

October 7, 2024

Item 7-3 Diemer Helicopter Hydrant Facility

Subject

Award a \$448,000 contract to Heed Engineering to provide construction materials to support the construction of the helicopter hydrant facility at the Robert B. Diemer Water Treatment Plant

Purpose

Expedites site preparation for Diemer helicopter hydrant facility

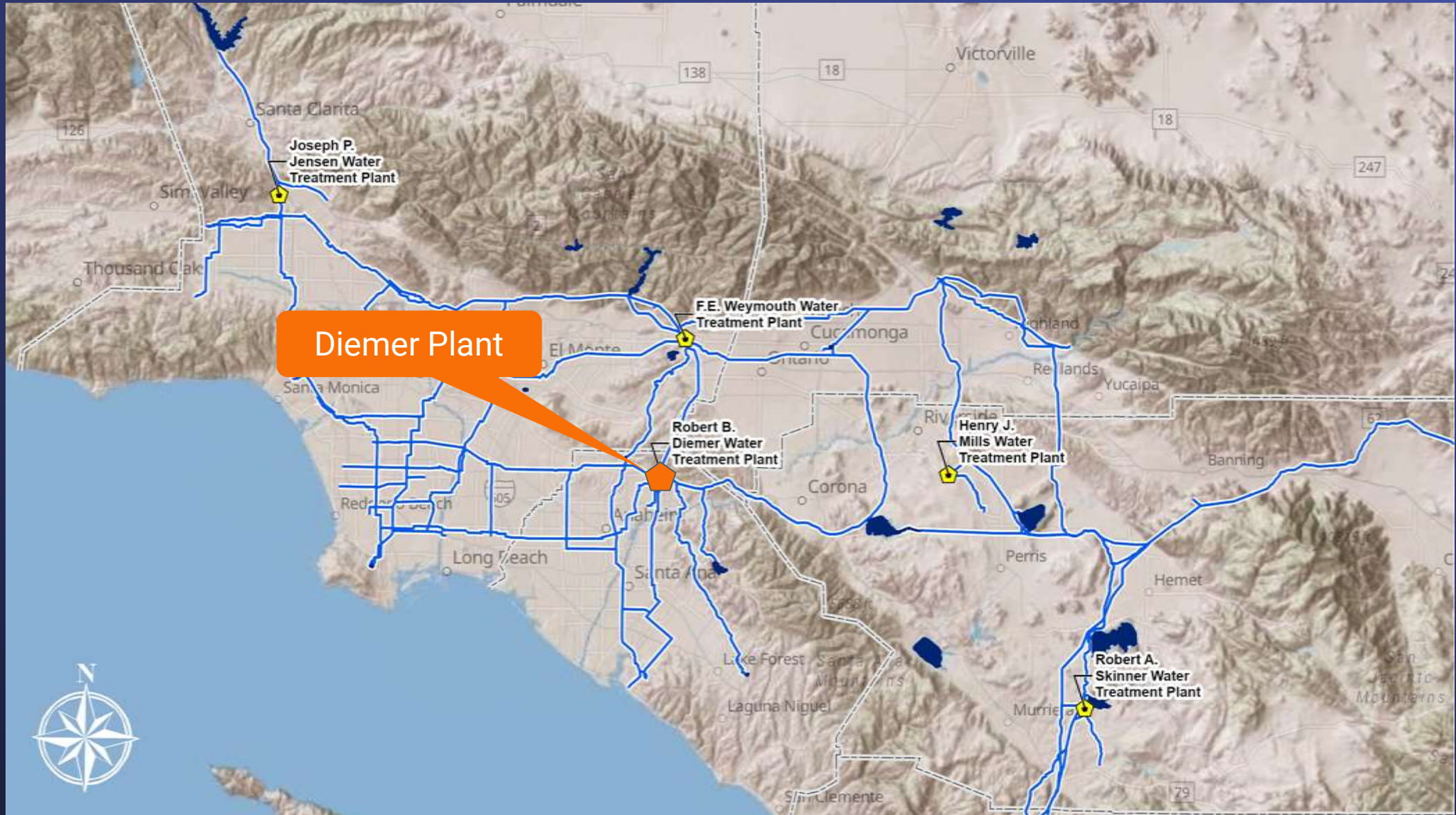
Recommendation

Award a contract

Budgeted

Partially funded by a \$500,000 grant from U.S. Forest Service

Location Map



Background – Wildfire History

- 2008 Freeway Complex Fire burned near the east, north & west side slopes of the plant
 - Diemer classified as high fire risk area by Orange County Fire Department
 - Metropolitan's response:
 - Retrofitted Diemer plant's control room
 - Enhanced coordination with local first-responders & Orange County Emergency Management agencies
 - Assessed new initiatives to enhance safety & fire control
- Yorba Linda Water District (YLWD) constructed two helicopter hydrants in fire-prone locations

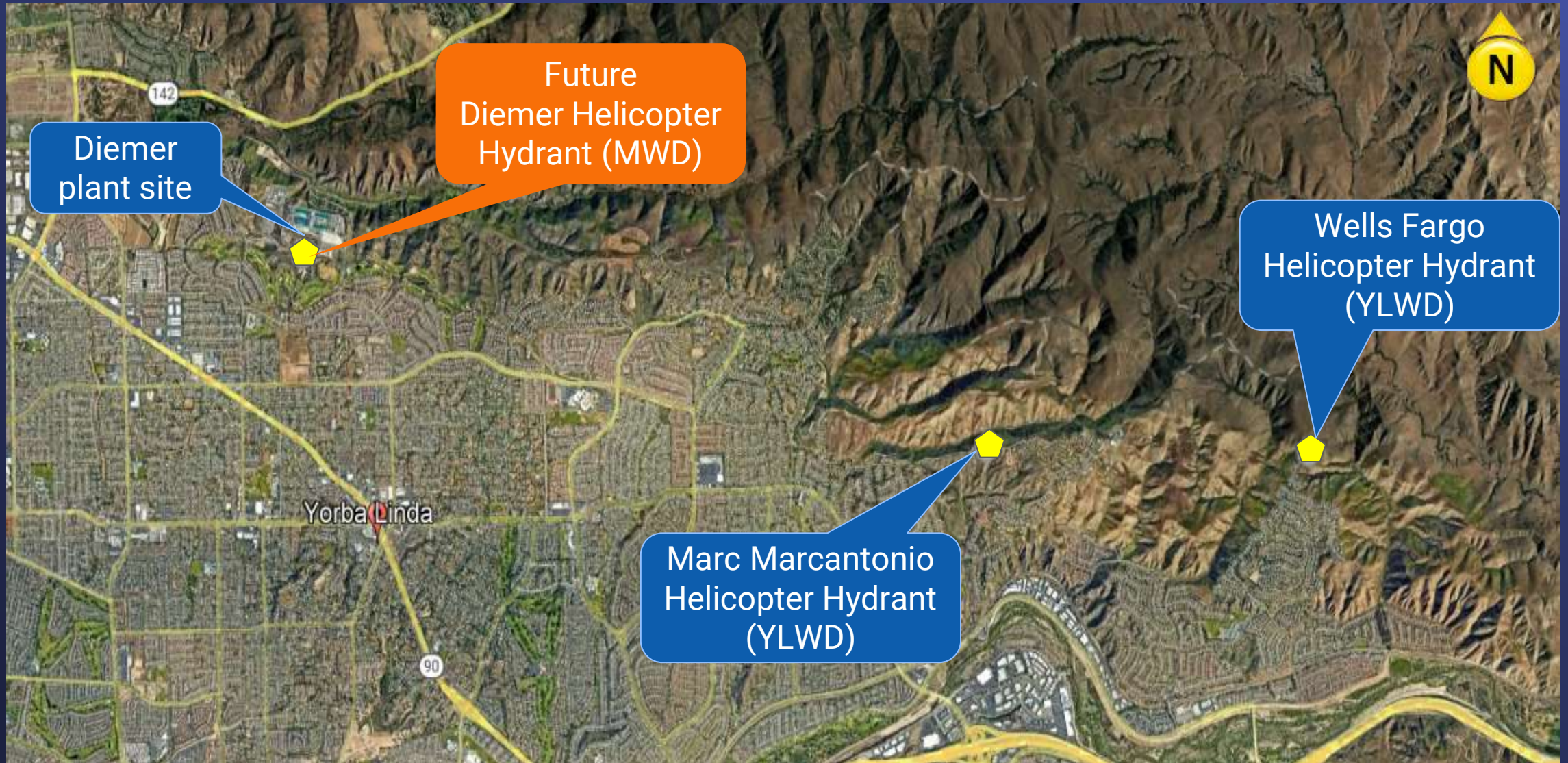


2008 Freeway Complex Fire



2022 Diemer Full-Scale Exercise

Background – Helicopter Hydrant Locations



Diemer Helicopter Hydrant Facility



Open-Top Water Tank
During Operation

Background

- Sept 2022 – U.S. Forest Service (USFS) awarded a \$500K grant to YLWD for construction of a new helicopter hydrant
- May 2023 – Board action authorized the Diemer helicopter hydrant facility project
- Nov 2023 – YLWD & Metropolitan signed MOU to jointly fund & construct a helicopter hydrant within the Diemer plant site
- March 2024 – MWD subrecipient of USFS grant

Diemer Helicopter Hydrant Facility

Alternatives Considered

- Complete all construction work for the entire helicopter hydrant facility under a single construction contract
 - Extends schedule beyond USFS grant deadline
- Selected Alternative – Award a contract to provide construction materials
 - Metropolitan forces complete construction
 - Expedites construction
 - Utilizes USFS grant funding within current deadlines

Diemer Helicopter Hydrant Facility

Project Scope of Work

- Contractor
 - Furnish aggregate base materials & concrete
 - Furnish & install reinforcing steel
- Metropolitan
 - Prepare site & place concrete foundation for hydrant tank
 - Procure remaining construction materials
 - Install helicopter hydrant tank
- YLWD
 - Provide grant funding to Metropolitan
 - Coordinate with USFS, Cal Fire & OCFA

Bid Results

Specifications No. 2142

Bids Received	August 29, 2024
No. of Bidders	4
Lowest Responsible Bidder	Heed Engineering
Lowest Qualified Bid	\$448,000
Range of Other Bids	\$543,400 to \$1,137,000
Engineer's Estimate	\$610,000
SBE Participation*	100%

*SBE (Small Business Enterprise) participation level set at 25%

Allocation of Funds

Diemer Helicopter Hydrant Facility

Metropolitan Labor		
Owner Costs	\$	25,000
Construction Inspection & Support		15,000
Contracts		
Heed Engineering		448,000
Remaining Budget		12,000
Total		\$ 500,000

Project Schedule



Board Options

- Option #1
Award a \$448,000 contract to Heed Engineering to provide construction materials and install reinforcing steel to support the construction of the helicopter hydrant facility at the Diemer plant.
- Option #2
Do not award the contract at this time.

Staff Recommendation

- Option #1





- **Board of Directors**
One Water and Stewardship Committee

10/8/2024 Board Meeting

7-4

Subject

Authorize the General Manager to enter into Reverse-Cyclic Program agreements with participating agencies to defer deliveries of purchases under various water supply conditions; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

Staff proposes the Board approve modifications to the Reverse-Cyclic Program (“Program”) that it previously approved for 2022, including authorizing the General Manager to implement the Program based on various water supply conditions. Staff presented an informational report on potential modifications to the Program to the One Water and Stewardship Committee in September 2024. Staff have incorporated committee feedback into the proposed modifications and are returning to the committee for approval. The Program helped preserve Metropolitan’s limited State Water Project (“SWP”) supplies in calendar year (“CY”) 2022 by allowing member agencies to defer delivery of water purchased that year. Metropolitan is proposing modifications to the Reverse-Cyclic Program to defer deliveries of purchased supplies under various water supply conditions. Under the recommended modifications to the Program, the General Manager would have the discretion to initiate the Program under various water supply conditions—when surplus supplies are available—or when Metropolitan must preserve supplies during low SWP allocation years. In wet years when member agencies are unable to accept Metropolitan deliveries due to capacity limitations or in dry years when Metropolitan must preserve limited available stored supplies, member agencies would be able to purchase supplies at that year’s full-service rate for deferred delivery in a future year.

Proposed Action(s)/Recommendation(s) and Options

Staff Recommendation: Option #1

Option #1

Authorize the General Manager to enter into Reverse-Cyclic Program agreements with participating agencies to defer deliveries of purchases under various water supply conditions consistent with the terms in

Attachment 1.

Fiscal Impact: None expected. In dry years, the difference in revenues due to increases in the full-service rate between the time of purchase and the time of delivery is anticipated to be offset with savings to Metropolitan that would accrue from having to acquire water during drought years of the pre-purchase. In wet years, the Program is implemented when Metropolitan has plenty of water in storage and would store that water regardless of the pre-sale. In those wet years, Metropolitan would also increase its sales revenue by recording a full-service rate transaction when a delivery cannot take place due to capacity constraints. Metropolitan benefits from the time value of the money by receiving revenues this year for deliveries that will be made in a future year.

Business Analysis: In dry years, Metropolitan would improve regional reliability by shifting demands from years with low SWP allocation to higher allocation years. In wet years, Metropolitan would increase revenue

by allowing member agencies to purchase water they are unable to accept due to capacity limitations and constraints.

Option #2

Do not authorize the General Manager to enter into Reverse-Cyclic Program agreements with participating agencies to defer deliveries of purchases under various water supply conditions.

Fiscal Impact: Potential loss of a full-service water sale in wet years. In dry years, an increase in costs to acquire additional water for the region.

Business Analysis: Not implementing the Reverse-Cyclic Program could decrease the SWP supplies available to the entire region, potentially increase costs necessary to meet demands in dry years, and reduce estimated revenues from full-service sales in wet and dry years.

Alternatives Considered

None

Applicable Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Metropolitan Water District Administrative Code Section 4209: Contracts

Metropolitan Water District Administrative Code Section 4507: Billing and Payment of Water Deliveries

By Minute Item 43514, dated April 13, 1999, the Board adopted the Water Surplus and Drought Management Plan

Related Board Action(s)/Future Action(s)

By Minute Item 52707, dated February 8, 2022, the Board authorized the General Manager to enter into Reverse-Cyclic agreements with participating agencies to preserve the availability of State Water Project supplies to Metropolitan.

Summary of Outreach Completed

Staff presented the potential modifications to the Reverse-Cyclic Program to the member agency managers meeting in August 2024.

Staff brought an informational report on the potential modifications to the Reverse-Cyclic Program to the One Water and Stewardship Committee in September 2024.

California Environmental Quality Act (CEQA)

CEQA determination(s) for Option #1:

The proposed action of entering into agreements is not defined as a project under CEQA because it involves continuing administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines) and because it involves other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines). The deferred delivery of water is exempt from CEQA as it consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features involving negligible or no expansion of existing or former use (Section 15301 of the State CEQA Guidelines).

CEQA determination(s) for Option #2:

None required

Details and Background

Background

Metropolitan seeks to expand its portfolio of actions available to improve the region's resiliency at a time when some member agencies are unable to accept planned Metropolitan deliveries due to managing their high local supplies. While the back-to-back wet years have allowed Metropolitan to reach record-high dry-year storage levels, Metropolitan continues to experience low demands due to the overall cooler weather and member agency capacity constraints resulting from refilled reservoirs and replenishment basins. To mitigate these capacity impacts, staff proposes modifying the Reverse-Cyclic Program to allow member agencies to purchase supplies for future delivery. Allowing the purchases generates revenue in the current year to help meet the financial needs Metropolitan is experiencing in this biennial budget and water rates cycle.

Staff is proposing to modify the Reverse-Cyclic Program to provide Metropolitan with additional flexibility to allow the purchase of water and defer deliveries under various water supply conditions and to provide the General Manager with the authority to enter into agreements with the member agencies. In September 2024, staff provided an introduction and overview of the proposed modifications to the One Water and Stewardship Committee.

Proposed Modifications to the Reverse-Cyclic Program

Staff recommends that the Board approve the Reverse-Cyclic Program based on terms modified from the 2022 version of the Program and authorize the General Manager to initiate the Program at the General Manager's discretion without additional Board authorization. These proposed modifications provide staff with additional flexibility to allow the purchase of water and defer deliveries under various water supply conditions. Staff will evaluate the supply and demand conditions through the Water Surplus and Demand Management (WSDM) process and provide a WSDM recommendation to the General Manager when there is a need to initiate the Program. In the years the General Manager initiates the Program, these agreements will allow member agencies to purchase water for delivery in a future dry or wet year per the terms described in **Attachment 1**.

General Terms

The following conditions will apply each year the General Manager initiates the Reverse-Cyclic Program:

- If interest in the Program exceeds the total pre-purchase amount made available by Metropolitan, Metropolitan will calculate each member agency's portion using their "peak gap" (the agency's highest 5-year annual purchase less the agency's average 5-year purchase). Each agency may pre-purchase an amount proportional to the total of all interested agencies' peak gap amounts.
- Metropolitan will bill the member agency at the full-service water rate in effect, plus the treatment charge, if applicable, at the time of the purchase.
- Metropolitan will include member agency purchases under the Program as allocated supply under a Metropolitan Water Supply Allocation Plan implementation or any other allocation or shortage program that may be implemented.
- When Metropolitan determines water is available to deliver to participating agencies, Metropolitan will deliver water to reduce the balance of supplies deferred under the Program.
 - Metropolitan, at its sole discretion, shall determine when the water may be returned.
 - Deliveries will be negotiated based on the conditions for Metropolitan and the member agency but will not exceed five full calendar years from the date of purchase unless the Parties mutually agree to a different delivery schedule.
 - Metropolitan will make best efforts to prioritize deliveries to the member agency if there is a critical need; for example, the groundwater storage basin reaches low levels where wells are not operable, or the basin reaches emergency storage levels.

- If Metropolitan is unable to deliver the pre-purchased water within five years due to the member agency's inability to receive the water, then losses shall be applied to the pre-purchased water at a rate of 20 percent per year. Metropolitan will not apply any losses to the pre-purchased water if the water is delivered within five years or if delivered after five years due to Metropolitan's inability to deliver the water within that time period.
- Each year the Program is initiated, supplies available will be determined based on water supply conditions.

Member agency purchases under the Program will be part of the member agency's Revised Base Firm Demand for the year of the purchase. Purchases made under this Program will be included in the determination of the member agency's Readiness-to-Serve Charge at the time of purchase but will not be included in the determinations of the Capacity Charge because the deferred delivery will be completed at Metropolitan's discretion.

Initiating Dry Year Pre-Sales

The Program would be initiated in a dry year when the General Manager determines that the supply conditions warrant deferring the use of limited stored supplies due to the risk of shortage. For example, the Program may be initiated when there is a need to strategically work with the member agencies to reduce deliveries to help preserve limited available supplies and to avoid additional resource and operational costs that would be necessary without deferment. Metropolitan proposes offering the Program in dry years under the following conditions:

- The member agency and Metropolitan agree to defer Metropolitan deliveries of water purchased to allow Metropolitan to preserve limited stored supplies.
- When the General Manager initiates the Program to preserve limited stored supplies, Metropolitan would certify that the purchase reduces deliveries.

Initiating Wet Year Pre-Sales

The Program would be initiated when the General Manager deems it necessary to pre-sell water in wet years with SWP allocations of 40 percent or higher. For example, the General Manager may initiate the Program at times when Metropolitan is unable to complete deliveries due to member agency capacity constraints or limitations. Metropolitan proposes offering the Program in wet years under the following conditions:

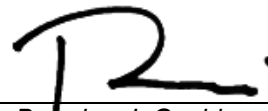
- The member agency and Metropolitan agree to defer Metropolitan deliveries of water purchased.

Reporting and Billing

Metropolitan regularly reports to the Board on developing supply and demand conditions through WSDM Plan reports. Staff provides these monthly reports through the winter and spring and keeps the Board apprised of developing conditions, including the potential use of storage assets and the likelihood of storing or withdrawing supplies. Implementation of the Program will be incorporated into this regular reporting. Under the Program, Metropolitan will bill the member agency the full-service water rate plus the treatment charge, if applicable, at the time of the purchase. Under the Program, billing will occur before delivery is made, modifying the timing of billing required under Section 4507 of the Metropolitan Administrative Code (normally required at the time of delivery); all other aspects of Section 4507 will continue to apply. Metropolitan will include purchases made under this Program to determine the member agency's Readiness-to-Serve Charge at the time of sale but will not include the purchase or delivery in the determination of the agency's Capacity Charge because the initiation of the Program and the deliveries are at Metropolitan's discretion.

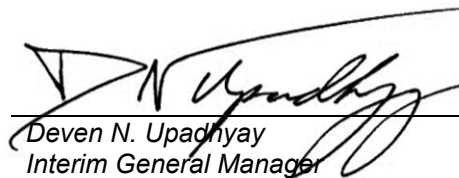
Summary

The proposed Reverse-Cyclic Program would help member agencies purchase planned supplies in times when Metropolitan may be unable to meet a member agency's normal demands due to a need to preserve dry-year storage or because the member agency is temporarily unable to accept Metropolitan deliveries in a wet year due to operational or capacity constraints. Metropolitan will bill member agencies the full-service rate and applicable treatment charge in effect at the time of purchase. In doing so, the member agency will avoid paying the projected higher service rate that would be in place when Metropolitan makes the deferred delivery. Additionally, Metropolitan will benefit from increased revenue in the year the Program is initiated. With this delegation of authority to the General Manager, Metropolitan will have the additional operational flexibility (1) to save limited storage in a dry year for a future drought year and (2) to assist member agencies with making a planned purchase in a wet year when they cannot accept their full normal delivery.



Brandon J. Goshi
Interim Manager,
Water Resource Management

9/24/2024

Date

Deven N. Upadhyay
Interim General Manager

9/30/2024

Date**Attachment 1 – Term Sheet Reverse-Cyclic Program**

Ref# wrm12701119

Term Sheet

Reverse-Cyclic Program

Program Purpose

To allow the purchase of water supplies and defer delivery of Metropolitan Water District of Southern California's (Metropolitan) water that an agency is unable to accept due to operational or capacity constraints or that Metropolitan is unable to complete due to a need to preserve dry-year storage.

Program Criteria

- Member agency and Metropolitan will enter into a Reverse-Cyclic Program ("Program") agreement to allow for delivery deferments of water purchased by member agencies, as provided under the Program.
- General Manager will determine the amount of water made available to be sold in the year the Program is initiated. This amount will be at General Manager's discretion based on water supply, hydrologic, financial, and operational conditions.
- Member agency will purchase the water at the time of the deferment.
- If interest in the Program exceeds the total pre-purchase amount made available by Metropolitan, Metropolitan will calculate each member agency's portion using their "peak gap" (the agency's highest 5-year annual purchase less the agency's average 5-year purchase). Each agency may pre-purchase an amount proportional to the total of all interested agencies' peak gap amounts.
- Metropolitan will bill the member agency at the full-service water rate in effect, plus the treatment charge if applicable, at the time of the purchase.
- Metropolitan will include member agency purchases under the Program as allocated supply under a Metropolitan Water Supply Allocation Plan implementation or any other allocation or shortage program that may be implemented.
- Water sold and delivered under the Program shall be documented and ineligible for other Metropolitan programs.

Dry-Year Deferment

- The member agency and Metropolitan agree to defer Metropolitan deliveries of water purchased to allow Metropolitan to preserve limited stored supplies.
- When the General Manager initiates the Program to preserve limited stored supplies, Metropolitan would certify that the purchase reduces deliveries.

Wet-Year Deferment

- The member agency and Metropolitan agree to defer Metropolitan deliveries of water purchased.

Delivery

- When Metropolitan determines water is available, Metropolitan would deliver water to the member agency to reduce the deferment balance under the Program.
 - Metropolitan, at its sole discretion, shall determine when the water may be returned.
 - Deliveries will be negotiated based on the conditions for Metropolitan and the member agency but will not exceed five full calendar years from the date of purchase unless the Parties mutually agree to a different delivery schedule.
 - Metropolitan will make best efforts to prioritize deliveries to the member agency if there is a critical need; for example, the groundwater storage basin reaches low levels where wells are not operable, or the basin reaches emergency storage levels.
 - Metropolitan will not apply any losses to the pre-purchased water if the water is delivered within five years or if delivered after five years due to Metropolitan's inability to deliver the water within that time. If Metropolitan is unable to deliver the pre-purchased water within five years due to the member agency's inability to receive the water, then losses shall be applied to the pre-purchased water at a rate of 20 percent per year.

Program Costs

- Metropolitan will bill the member agency at the full-service water rate in effect, plus the treatment charge if applicable, at the time of the purchase.
- Member agency purchases under the Reverse-Cyclic Program will be considered part of the member agency's Revised Base Firm Demand for the year in which the purchases are made.
- Purchases made under this program are to be included in the determination of the member agency's Readiness-to-Serve Charge at the time of purchase.
- The deliveries will not be counted towards the determination of the member agency's Capacity Charge because the deferred delivery of water will be made at Metropolitan's discretion.

Term

- The Reverse-Cyclic Program Agreements shall have a term of up to ten years unless previously terminated or extended upon mutual agreement.



One Water & Stewardship Committee

Proposed Modifications to the Reverse-Cyclic Program

Item 7-4

October 7, 2024

Item 7-4

Reverse- Cyclic Program (RCP)

Subject

Authorize the General Manager to enter into Reverse-Cyclic Program agreements with participating agencies to defer deliveries of purchases under various water supply conditions.

Purpose

In wet years when member agencies are unable to accept Metropolitan deliveries due to capacity limitations or in dry years when Metropolitan must preserve limited available stored supplies, member agencies may purchase supplies at that year's full-service rate for deferred delivery in a future year.

Recommendation

Authorize the General Manager to enter into Reverse-Cyclic Program agreements with participating agencies to defer deliveries of purchases under various water supply conditions

Fiscal and Budget Impact

None. Difference of water rate increase between the time of purchase and the time of delivery, which is anticipated to be offset with savings to Metropolitan from having to acquire water during drought years.

Reverse Cyclic Program (RCP) Overview

- When initiated, RCP allows the member agencies to purchase water at the current rate that Metropolitan will deliver in a future year.
 - Deliveries to member agencies when supplies are available, within five years
- Calendar year 2022 was a dry year and the RCP allowed the General Manager to preserve limited stored supplies.

Proposed Modification to RCP

Authorize and delegate the General Manager to offer the Program to **help manage supplies and increase revenue under various water supply conditions** such as when there is a need:

- to allow deferral of deliveries member agencies cannot temporarily accept due to capacity limitations or operational constraints
- to preserve limited Metropolitan stored water



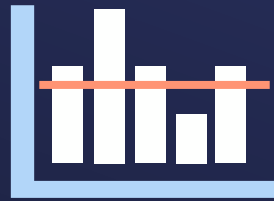
Committee and Member Agency Feedback



- Does this program decrease a future sale?
 - RCP does not decrease a future sale. Metropolitan benefits from the time value of the money by receiving revenues this year for deliveries that will be made in a future year.

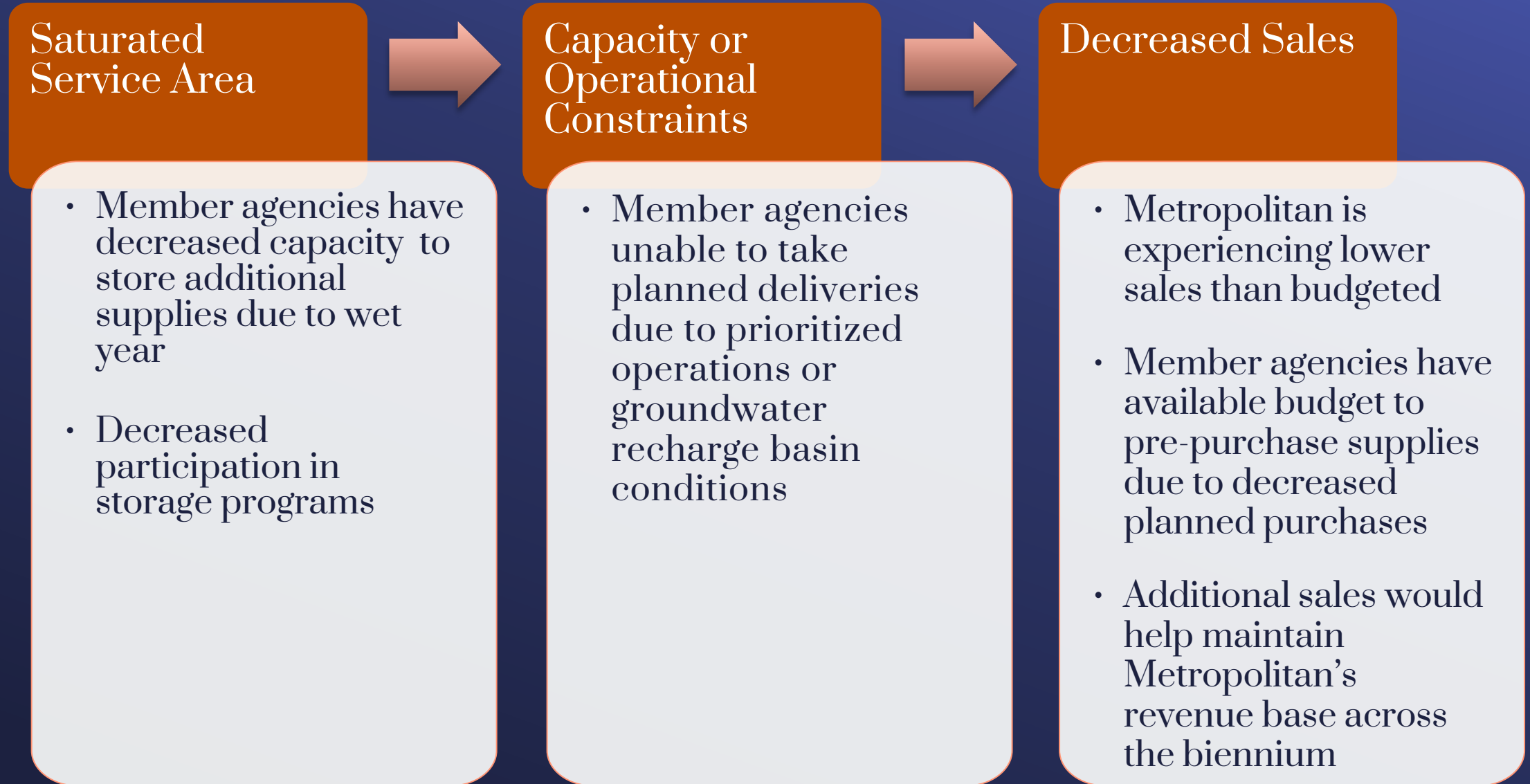


- Is this program storing water for the agency?
 - No, Metropolitan would deliver supplies when they are available during higher allocations.

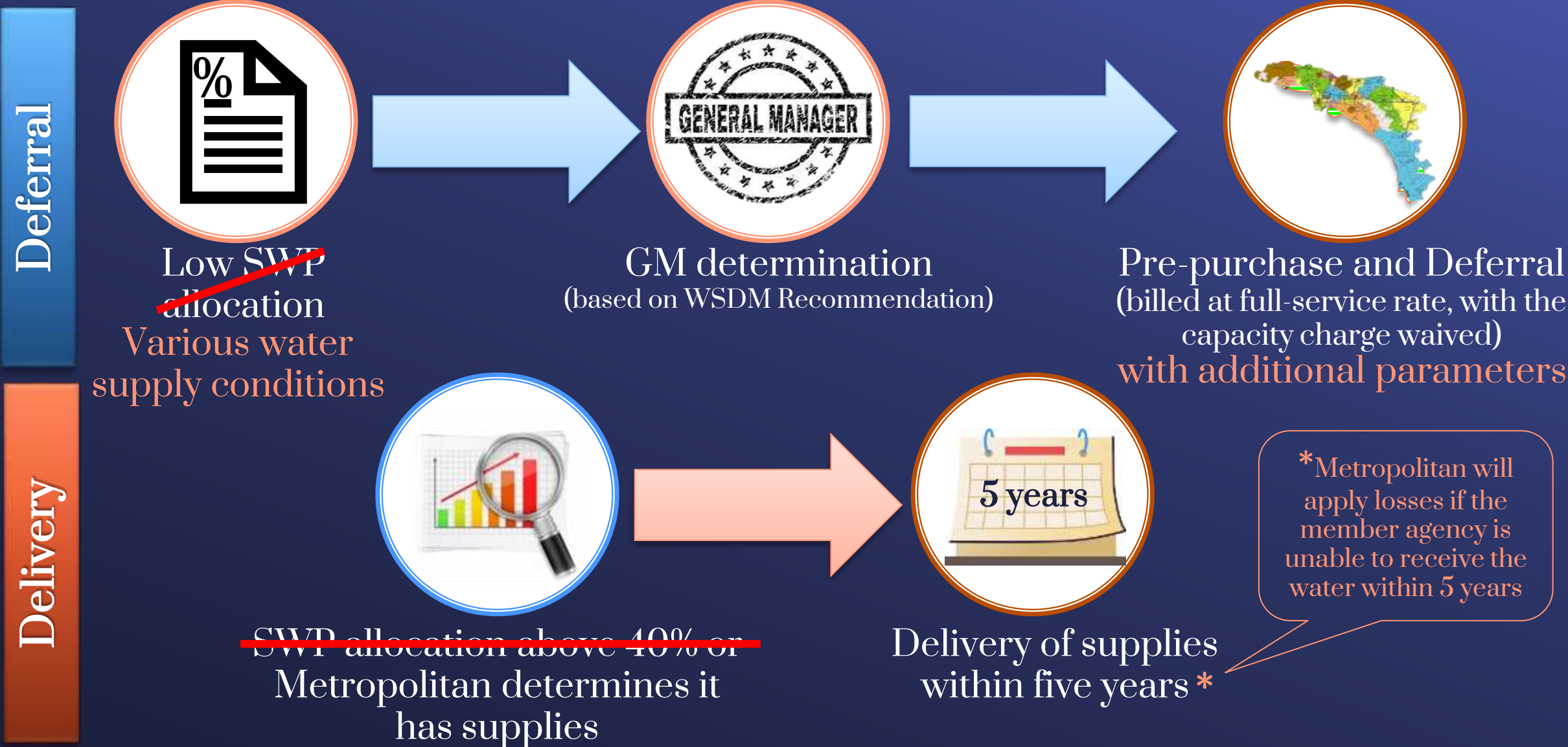


- The proposed baseline for Metropolitan deliveries creates a burden for agencies that don't have additional demands.
 - A baseline will no longer be considered

Why do we need the modifications now?



Proposed Modifications to the Reverse Cyclic Program



Program Terms

Program Terms



- At time of purchase, purchases would be included in the
 - Readiness to Serve Charge
 - Revised Base Firm Demand



- Purchases will be included as allocated supply under a Metropolitan allocation or shortage program (if/when implemented)



- Reverse Cyclic water shall be documented and ineligible for other Metropolitan programs



- Metropolitan staff to certify and reconcile deferred deliveries

Proposed Modification

Additional Proposed Modifications: Control Parameters



- General Manager to determine amount of water available for pre-sale at time of initiation
-



- 10-year agreement term with member agencies
-



- If interest exceeds water available for pre-sale, each agency may pre-purchase an amount proportional to their peak gap compared to the total of all interested agencies' peak gap amounts

Example of Interest Exceeding Water Available for Pre-Sale



Water Supply Available for Pre-Sale Under Program:
50,000 AF

Three (3) member agencies interested in purchasing supplies

Agency A

Interested in purchasing
40,000 AF

Agency B

Interested in purchasing
25,000 AF

Agency C

Interested in purchasing
20,000 AF

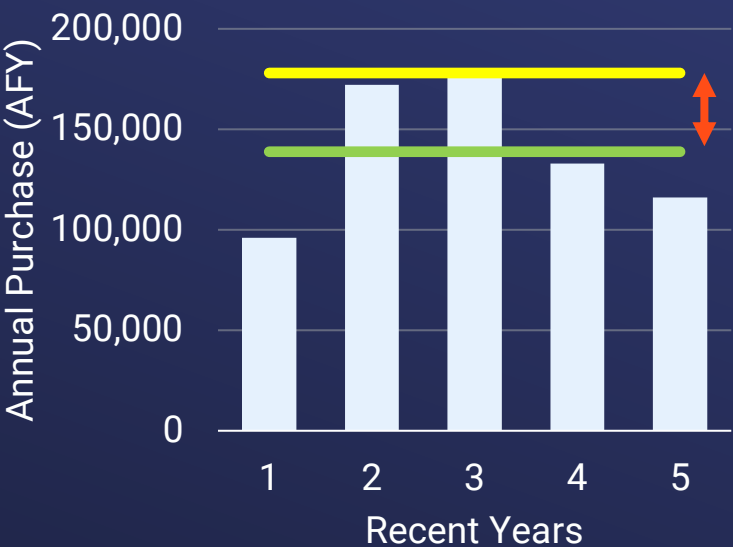
$85,000 \text{ AF} > 50,000 \text{ AF}$

Total Interest **Exceeds** Water Available for Pre-Sale

Example of Interest Exceeding Water Available for Pre-Sale

Agency A

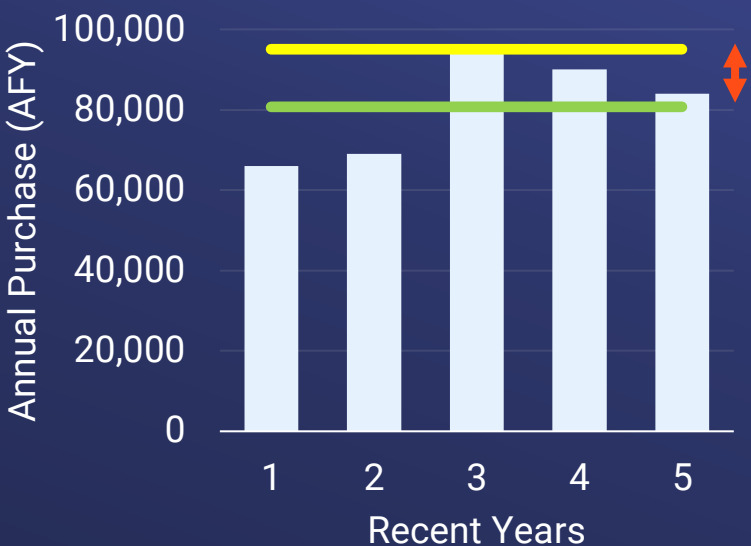
Historical Purchases



Maximum 178,000 AF
Average 139,000 AF
Peak Gap 39,000 AF

Agency B

Historical Purchases



Maximum 95,000 AF
Average 80,800 AF
Peak Gap 14,200 AF

Agency C

Historical Purchases



Maximum 72,000 AF
Average 66,000 AF
Peak Gap 6,000 AF

*over previous 5-year period

Example of Interest Exceeding Water Available for Pre-Sale

Agency A

Agency B

Agency C

Peak Gap 39,000 AF + Peak Gap 14,200 AF + Peak Gap 6,000 AF

Sum of Peak Gaps equals 59,200 AF

Agency A

$$\frac{39,000 \text{ AF}}{59,200 \text{ AF}} = 66\%$$

Agency B

$$\frac{14,200 \text{ AF}}{59,200 \text{ AF}} = 24\%$$

Agency C

$$\frac{6,000 \text{ AF}}{59,200 \text{ AF}} = 10\%$$

Example of Interest Exceeding Water Available for Pre-Sale

Agency A

66%

Agency B

24%

Agency C

10%

Distribution of the 50,000 AF Available for Pre-Sale

50,000 AF  66%

=

33,000 AF

50,000 AF  24%

=

12,000 AF

50,000 AF  10%

=

5,000 AF

Summary

Modifications to the Reverse Cyclic Program would:

- Allow all member agencies to purchase water at the current rate for delivery in a future year.
 - Deferral of deliveries under various supply conditions, such as when member agencies are not able to accept deliveries due to capacity, operational constraints, or limitations.
- Allow Metropolitan to collect revenue now and deliver water when supplies are available
- Include additional parameters to provide Metropolitan flexibility on the initiation of deferrals and the delivery of water.

Reverse Cyclic Program Modifications

Board Options

- Option #1
Authorize the General Manager to enter into Reverse-Cyclic Program agreements with participating agencies to defer deliveries of purchases under various water supply conditions consistent with the terms in Attachment 1.
- Option #2
Do not authorize the General Manager to enter into Reverse-Cyclic Program agreements with participating agencies to defer deliveries of purchases under various water supply conditions.

Reverse Cyclic Program Modifications

Staff Recommendation

- Option #1
Authorize the General Manager to enter into Reverse-Cyclic Program agreements with participating agencies to defer deliveries of purchases under various water supply conditions consistent with the terms in Attachment I.





- **Board of Directors**
One Water and Stewardship Committee

10/8/2024 Board Meeting

7-5

Subject

Authorize resolutions to support two applications selected to receive United States Department of the Interior, Bureau of Reclamation WaterSMART: Water and Energy Efficiency Grants Program funding for Fiscal Year 2024 totaling \$2 million; and authorize the General Manager to accept this funding and enter contracts with the United States Department of the Interior, Bureau of Reclamation; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

On February 22, 2024, Metropolitan applied to the U.S. Department of the Interior, Bureau of Reclamation's (Reclamation) fiscal year 2024 (FY24) WaterSMART: Water and Energy Efficiency Grants Program. Metropolitan requested \$2 million to support two regional conservation programs: (1) a total of \$1.75 million was requested to increase funding available for the Residential Direct Install Program for devices, and (2) \$250,000 was requested to expand the reach of a Direct Install Turf Replacement Program for Disadvantaged Communities. On August 5, 2024, Metropolitan was notified the submitted applications are now being considered for award of financial assistance agreements for FY24. In order to proceed in the agreement process, Metropolitan must obtain resolutions from the Board of Directors committing Metropolitan to the financial and legal obligations associated with a financial assistance award. If approved, this action would adopt resolutions (**Attachment 1 and Attachment 2**) supporting Metropolitan's commitment to the financial and legal obligations. This action also authorizes the General Manager to accept up to \$2 million in grant funding and enter into contracts with Reclamation for the WaterSMART: Water and Energy Efficiency Grants Program for FY24. If authorized, Metropolitan would pay the non-federal cost share of \$2 million over three years from the conservation program budget.

Proposed Action(s)/Recommendation(s) and Options

Staff Recommendation:

Option #1

Authorize resolutions to support two applications selected to receive for United States Department of the Interior, Bureau of Reclamation WaterSMART: Water and Energy Efficiency Grant Program funding for FY24 totaling \$2 million; and authorize the General Manager to accept this funding and enter contracts with the United States Department of the Interior, Bureau of Reclamation.

Fiscal Impact: The addition of \$2 million in grant funds to existing Metropolitan funding would require Metropolitan to commit to a non-federal cost share of \$2 million. This cost share is budgeted as existing Metropolitan funding in the conservation program budget.

Business Analysis: Grant funding will allow Metropolitan to leverage existing Metropolitan funding appropriated for the Residential Direct Install Program and the Direct Install Turf Replacement Program as non-federal cost share to reach more participants in each respective program.

Option #2

Do not support or accept grant funding.

Fiscal Impact: None

Business Analysis: Without the grant funds, Metropolitan would reach fewer participants in the conservation program.

Alternatives Considered

Not applicable

Applicable Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Metropolitan Water District Administrative Code Section 8121: General Authority of the General Manager to Enter into Contracts

By Minute Item 52582, dated November 8, 2021, the Board authorized the expansion of the Residential Direct Install Program and modifications to the Turf Replacement Program.

By Minute Item 48772, dated August 16, 2011, the Board adopted the Long-Term Conservation Plan and revisions to the water conservation policy principles.

Related Board Action(s)/Future Action(s)

Not applicable

Summary of Outreach Completed

Not applicable

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. (State CEQA Guidelines Section 15378(b)(4)).

CEQA determination for Option #2:

None required

Details and Background

Background

Reclamation's WaterSMART (Sustain and Manage America's Resources for Tomorrow) Program provides a framework for federal leadership and assistance to stretch and secure water supplies for future generations in support of the Department's priorities identified in Presidential Executive Order (E.O.) 14008: Tackling the Climate Crisis at Home and Abroad. WaterSMART Water and Energy Efficiency Grants will advance the Biden-Harris Administration's Justice40 Initiative. Established by E.O. 14008, the Justice40 Initiative has made it a goal that 40 percent of the overall benefits of certain federal investments, such as climate, clean energy, and other areas, flow to disadvantaged communities. Water and Energy Efficiency Grants also support the goals of the Interagency Drought Relief Working Group established in March 2021 and the National Drought Resiliency Partnership. Through WaterSMART, Reclamation provides financial assistance to water managers for projects that seek to conserve and use water more efficiently and accomplish other benefits that contribute to resilience and sustainability in the West.

Metropolitan incentivizes improvements to indoor and outdoor water-use efficiency by offering a variety of rebates for indoor and outdoor devices and conversions from turf to more California-friendly landscapes. These

incentives are integral components of Metropolitan's efforts to sustain momentum toward achieving the Integrated Resources Plan goals for urban water conservation. As in recent years, staff identified the WaterSMART: Water and Energy Efficiency Grants Program as a viable opportunity to secure external funding to support our regional water-use efficiency efforts, and on February 22, 2024, Metropolitan submitted two applications for consideration to Reclamation. On August 5, 2024, Metropolitan was notified the submitted applications are now being considered by Reclamation to receive awards under the FY24 WaterSMART: Water and Energy Efficiency Grants Program.

Residential Direct Install Program for Devices

Since 2014, Metropolitan and the Southern California Gas Company (SoCal Gas) have partnered to provide water and energy efficiency programming to income-qualified consumers within Metropolitan's service area and to customers of SoCal Gas. The two parties continue to develop collaborative programming measures through a Memorandum of Understanding that is in effect through December 31, 2024. On November 9, 2021, the Board authorized the expansion of the Residential Direct Install Program in partnership with SoCalGas to provide no-cost direct installations of clean energy and water-saving measures to income-qualified residences. Through the Residential Direct Install Program, eligible consumers receive no-cost energy upgrades funded by SoCal Gas and high-efficiency toilets, showerheads, faucet aerators, and weather-based irrigation controllers through financial support from Metropolitan. This initiative enhances Metropolitan's suite of indoor and outdoor incentives to consumers within underserved communities.

If adopted, Metropolitan would use the \$1.75 million in awarded grant funds to increase Metropolitan's share of program funding to provide direct installation services for more water-efficiency devices in the Residential Direct Install Program with SoCalGas. Reclamation requires awarded applicants to provide at least a 50 percent cost share or dollar-for-dollar match based on total project costs. Staff anticipates \$1.75 million to be expended annually for the direct installation of water-efficiency devices in the Residential Direct Install Program for the current biennial budget. Accepting WaterSMART grant funds will add an additional \$1.75 million, bringing the total program budget to \$3.5 million. This increased budget will allow Metropolitan to provide funding for more installations than previously anticipated at no additional costs to Metropolitan beyond what was already budgeted for in the current biennium.

Direct Install Turf Replacement Program

For over 30 years, Metropolitan has invested hundreds of millions of dollars to help Southern Californians improve their outdoor water-use efficiency. Throughout this time, various iterations of turf replacement and device rebate programs have evolved to improve customer access to rebates, enhance incentives, and promote the environmental benefits of landscape transformation beyond water savings. To date, over 220 million square feet of turf in Southern California has been replaced with water-efficient landscaping because of the combined efforts of the Bureau of Reclamation, State of California, Metropolitan, and our local water suppliers.

The Water Efficiency Team staff is in the process of developing a Direct Install Turf Replacement Program for Disadvantaged Communities, which will seek to remove the financial barriers imposed by traditional rebate programs by replacing turf with drought-tolerant alternatives at no cost to qualifying participants across Metropolitan's service area. The overall goal of the Project is to expand existing Turf Replacement Program efforts to improve outdoor water-use efficiency and establish resiliency in underserved communities.

Currently, the FY 2024/25 budget allocates \$250,000 for a small-scale Direct Install Turf Replacement Program. If adopted, Metropolitan would use the \$250,000 in awarded grant funds to supplement the Direct Install Turf Replacement Program budget. Reclamation requires awarded applicants to provide at least a 50 percent cost share or dollar-for-dollar match based on total project costs. Accepting WaterSMART grant funds will add an additional \$250,000, bringing the total program budget to \$500,000. This increased budget will allow Metropolitan to provide funding for more turf replacement direct installations than previously anticipated at no additional costs to Metropolitan beyond what was already budgeted for in the current biennium.

Required Resolutions

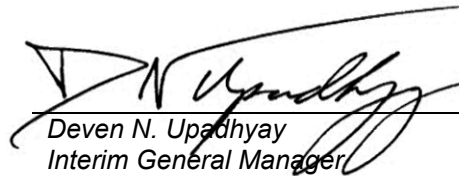
The WaterSMART program requires a board resolution supporting the grant proposals prior to the execution of an agreement of a financial assistance award. Each board resolution documents Metropolitan's commitment to the financial and legal obligations associated with accepting a financial assistance award, authorizes the General Manager to accept funding, delegates authority to the General Manager to enter into a contract, recognizes that Metropolitan is capable of providing up to \$2 million in matching funds, and commits Metropolitan to work with Reclamation to meet established deadlines. The resolutions do not obligate Metropolitan to accept funding. Metropolitan has the discretion to accept or decline potential funding prior to an agreement being executed.



Brandon J. Goshi
Interim Manager,
Water Resource Management

9/26/2024

Date



Deven N. Upadhyay
Interim General Manager

9/30/2024

Date

Attachment 1 – Resolution XXXX: RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA IN SUPPORT OF ITS PROPOSAL FOR FUNDING UNDER THE WATERSMART: WATER AND ENERGY EFFICIENCY GRANTS FOR THE RESIDENTIAL DIRECT INSTALL PROGRAM FOR DEVICES FOR DISADVANTAGED COMMUNITIES

Attachment 2 – Resolution XXXX: RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA IN SUPPORT OF ITS PROPOSAL FOR FUNDING UNDER THE WATERSMART: WATER AND ENERGY EFFICIENCY GRANTS FOR THE DIRECT INSTALL TURF REPLACEMENT PROGRAM FOR DISADVANTAGED COMMUNITIES

Ref# wrm12701119

RESOLUTION XXXX**RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA IN SUPPORT OF ITS PROPOSAL FOR FUNDING UNDER THE WATERSMART: WATER AND ENERGY EFFICIENCY GRANTS FOR THE RESIDENTIAL DIRECT INSTALL PROGRAM FOR DEVICES FOR DISADVANTAGED COMMUNITIES**

WHEREAS, the U.S. Bureau of Reclamation (Reclamation) is requesting proposals for water use efficiency activities from the WaterSMART: Water and Energy Efficiency Grants for FY 2024; and

WHEREAS, the submittal of a proposal for grant funding by Metropolitan has been determined to be exempt from the California Environmental Quality Act (CEQA) under Sections 15378 (b)(4) and 15061 (b)(3) of the State CEQA Guidelines.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Metropolitan Water District of Southern California that the Board supports the proposal for the Residential Direct Install Program for Disadvantaged Communities under Reclamation's WaterSMART: Water and Energy Efficiency Grants for FY 2024.

BE IT FURTHER RESOLVED that Metropolitan's Board authorizes Metropolitan's General Manager to accept grant funding of up to \$1,750,000.00.

BE IT FURTHER RESOLVED that Metropolitan's Board delegates legal authority to Metropolitan's General Manager to enter into an agreement with Reclamation, subject to the approval of the General Counsel, relevant to receipt of the requested WaterSMART grant.

BE IT FURTHER RESOLVED that Metropolitan is capable of providing the amount of funding and/or in-kind contributions specified in the funding plan.

BE IT FURTHER RESOLVED that if selected for funding, Metropolitan will work with Reclamation to meet established program deadlines.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California at its meeting held (Enter Board Meeting Date).

Secretary of the Board of Directors
of The Metropolitan Water District
of Southern California

RESOLUTION XXXX**RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA IN SUPPORT OF ITS PROPOSAL FOR FUNDING UNDER THE WATERSMART: WATER AND ENERGY EFFICIENCY GRANTS FOR THE DIRECT INSTALL TURF REPLACEMENT PROGRAM FOR DISADVANTAGED COMMUNITIES**

WHEREAS, the U.S. Bureau of Reclamation (Reclamation) is requesting proposals for water use efficiency activities from the WaterSMART: Water and Energy Efficiency Grants for FY 2024; and

WHEREAS, the submittal of a proposal for grant funding by Metropolitan has been determined to be exempt from the California Environmental Quality Act (CEQA) under Sections 15378 (b)(4) and 15061 (b)(3) of the State CEQA Guidelines.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Metropolitan Water District of Southern California that the Board supports the proposal for the Direct Install Turf Replacement Program for Disadvantaged Communities under Reclamation's WaterSMART: Water and Energy Efficiency Grants for FY 2024.

BE IT FURTHER RESOLVED that Metropolitan's Board authorizes Metropolitan's General Manager to accept grant funding of up to \$250,000.00.

BE IT FURTHER RESOLVED that Metropolitan's Board delegates legal authority to Metropolitan's General Manager to enter into an agreement with Reclamation, subject to the approval of the General Counsel, relevant to receipt of the requested WaterSMART grant.

BE IT FURTHER RESOLVED that Metropolitan is capable of providing the amount of funding and/or in-kind contributions specified in the funding plan.

BE IT FURTHER RESOLVED that if selected for funding, Metropolitan will work with Reclamation to meet established program deadlines.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California at its meeting held (Enter Board Meeting Date).

Secretary of the Board of Directors
of The Metropolitan Water District
of Southern California



One Water & Stewardship Committee

Authorize resolutions to support water use efficiency programs selected to receive USBR FY24 WaterSMART: Water and Energy Efficiency Grants Program funding

Item 7-5

October 7, 2024

Item 7-5
USBR
WaterSMART:
Water and
Energy
Efficiency
Grants Program
(WEEG)

Subject

Authorize resolutions to support two applications selected to receive United States Department of the Interior, Bureau of Reclamation FY24 WaterSMART: Water and Energy Efficiency Grants Program funding totaling \$2 million; and authorize the General Manager to accept this funding and enter contracts with the United States Department of the Interior, Bureau of Reclamation.

Purpose

Obtain the required Board resolutions for staff to proceed in negotiating financial assistance awards with USBR

Staff Recommendation and Fiscal Impact

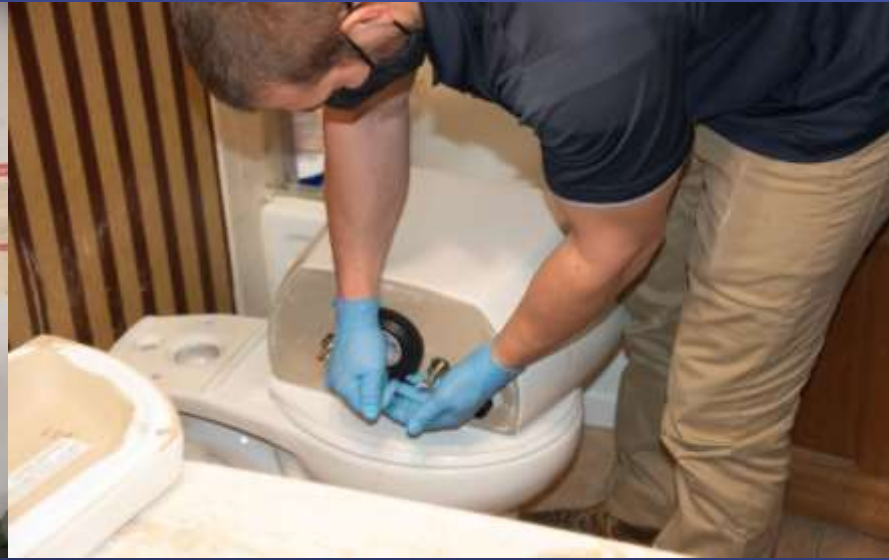
Option #1: Authorize resolutions to support applications selected to receive FY24 WaterSMART: WEEG Program funding totaling \$2 million; and authorize the General Manager to accept this funding and enter contracts with USBR. Accepting grant funds would require Metropolitan to commit to a non-federal cost share of \$2 million. This cost share is budgeted as existing Metropolitan funding in the conservation program budget.

USBR WaterSMART: Water and Energy Efficiency Grants Program (WEEG)

- Annual federal grant opportunity focusing on quantifiable and sustained water savings
- Prioritizes projects that have sustainability benefits, address the impacts of climate change and enhance drought resiliency

MWD's Active/Pending USBR WaterSMART: WEEG Grant Projects			
Program Year	Project Title	Funding Request	Status
FY22	Regional Public Agency Turf Replacement Incentive Program	\$2M	Awarded implemented into turf replacement program on November 1, 2022.
FY23	Regional Residential and CII Turf Replacement Incentive Program	\$5M	Awarded implemented into turf replacement program on March 4, 2024.
FY24	Residential Direct Install Program for Disadvantaged Communities	\$1.75M	Awarded, seeking resolution
	Direct Install Turf Replacement Program for Disadvantaged Communities	\$250K	Awarded, seeking resolution

Residential Direct Install Program for DAC in Partnership with Southern California Gas Company



- \$1.75M application submitted in February 2024, selected for funding in August 2024
- Funding will be implemented directly into MWD's existing Residential Direct Install Program in Partnership with SoCalGas to reach approximately 3,200 additional homes
- Metropolitan would simply need to modify the program order authorizing SoCalGas to spend an additional \$3.5M on measures funded by MWD to implement grant funds

Direct Install Turf Replacement Program for DAC



- \$250K application submitted in February 2024
 - MWD notified of selection for funding in August 2024
- Funding to be implemented into a direct install turf replacement program to reach approximately 40 homes (~20 grant funded) in the MWD service area
- Staff finalizing scope and preparing RFP/RFQ to hire landscape contractors
- Anticipate a Summer 2025 Program Launch

Cost-Share Requirement

USBR WaterSMART: Water and Energy Efficiency Grants Program Cost Share Commitment			
Project Title	Total Project Costs	USBR Grant Request	MWD Cost Share
Residential Direct Install Program for Disadvantaged Communities	\$3.5M	\$1.75M	\$1.75M
Direct Install Turf Replacement Program for Disadvantaged Communities	\$500K	\$250K	\$250K
Total Cost Share Commitment			\$2M

- Cost Share: 50%, or dollar for dollar match based on total project costs is required
- MWD applied for \$1.75M and \$250K, respectively, as that was the total amount included in our FY24-26 budget for these programs and the maximum we could commit as matching funds

Board Options

- Option #1: Authorize the resolutions to support two applications selected to receive for United States Department of the Interior, Bureau of Reclamation WaterSMART: Water and Energy Efficiency Grants Program funding for FY24 totaling \$2 million; and authorize the General Manager to accept this funding and enter contracts with the United States Department of the Interior, Bureau of Reclamation.
- Option #2: Do not support or accept grant funding

Staff Recommendation

- Option #1





- **Board of Directors**
One Water and Stewardship Committee

10/8/2024 Board Meeting

7-6

Subject

Review and consider the Lead Agency's certified 2022 Final Environmental Impact Report for the Chino Basin Program and take related CEQA actions, and authorize the General Manager to enter into an exchange agreement with Inland Empire Utilities Agency to assist in the implementation of the program

Executive Summary

Since 2018, Metropolitan staff have been collaborating with the Inland Empire Utilities Agency (IEUA) to develop the Chino Basin Program (CBP), a Proposition 1 Water Storage Investment Program (WSIP) project. The CBP accomplishes three main goals: stores advanced treated recycled water in the Chino Basin groundwater basin, allows for environmental water releases from Lake Oroville into the Feather River for fishery benefit (pulse flows), and provides the infrastructure for replacement water supply to meet the supply and demand requirements within Metropolitan's service area. Under the proposed program, IEUA would invest state and local funds in local infrastructure to produce and store 375,000 acre-feet (AF) of advanced treated recycled water to be exchanged over a 25-year term. When required, this stored water would be exchanged for an equivalent portion of Metropolitan's State Water Project (SWP) Table A allocation. To make Metropolitan's water supply whole, an equivalent amount of stored CBP water would be delivered to Metropolitan's distribution system directly via pump-in or by in-lieu means to meet IEUA service area demands. Staff has provided the Board with multiple informational items on this proposed program, the most recent of which was in August 2024, to the One Water and Stewardship Committee.

In April 2022, the Board authorized the General Manager to negotiate an agreement with IEUA consistent with the draft terms presented at that time. Staff has since been working on specific agreement language consistent with the terms approved by the Board. This letter details the final agreement terms that have since been negotiated, also found in **Attachment 1**. The Metropolitan/IEUA Exchange Agreement is part of a suite of agreements necessary to execute the CBP, only some of which require Metropolitan as a signatory. Staff will return as necessary for board approval on additional agreements.

Metropolitan's role in the CBP is that of a facilitating SWP contractor. Metropolitan agrees to facilitate the exchange of SWP supplies with stored water in the CBP and participate in necessary related agreements. This agreement does not commit Metropolitan to funding any portion of the CBP facilities. Metropolitan would only operate, maintain, and administer the Rialto Pipeline service connection for direct pump-in from CBP.

The CBP provides environmental, local, and regional benefits to multiple parties, including Metropolitan. The pulse flows from Lake Oroville to the Feather River will provide fishery and ecosystem benefits. IEUA will retain ownership of the CBP facilities once the commitment to the state has been fulfilled, providing another source for local supply. The direct pump-in connection to the Rialto Pipeline could allow another source of supply to reach an otherwise SWP Dependent Area of Metropolitan's service area. Additionally, the CBP allows for an emergency use provision, where up to 50,000 AF (40,000 AF in a single year) could be borrowed by Metropolitan for use within its service area.

Metropolitan will continue collaborating with IEUA to develop the CBP. Design and construction for CBP facilities are expected to begin in 2025 and 2027, respectively. The program is expected to be operational around 2032.

Proposed Action(s)/Recommendation(s) and Options

Staff Recommendation: Option #1

Option #1

Review and consider the Lead Agency's certified 2022 Final Environmental Impact Report for the Chino Basin Program and take related CEQA actions, and authorize the General Manager to enter into an exchange agreement with Inland Empire Utilities Agency to assist in the implementation of the program

Fiscal Impact: None

Business Analysis: Participation in the CBP will improve regional reliability and provide access to additional emergency supplies for Metropolitan's service area.

Option #2

Do not authorize the General Manager to enter into an exchange agreement with Inland Empire Utilities Agency to assist in the implementation of the Chino Basin Program

Fiscal Impact: None

Business Analysis: Not participating in the CBP will miss an opportunity to improve regional reliability and provide access to additional emergency supplies for Metropolitan's service area.

Applicable Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By the 1999 Strategic Plan Policy Principles, Metropolitan is a regional provider of water for its service area and a steward of regional infrastructure.

By the General Manager's Business Plan for FYs 2020/21 and 2021/22, one of Metropolitan's strategic priorities is to promote sustainability.

By Minute Item 42287, dated February 11, 1997, the Board adopted a set of policy principles on water recycling.

By Minute Item 52784, dated April 12, 2022, the Board authorized the General Manager to negotiate an agreement consistent with the draft terms of the Metropolitan Water District/Inland Empire Utilities Agency Exchange Agreement.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

Acting as the Lead Agency, Inland Empire Utilities Agency certified a Final Environmental Impact Report (EIR) on May 20, 2022, for the Chino Basin Program. The Lead Agency also approved the Findings of Fact, the Statement of Overriding Considerations, and the Mitigation Monitoring and Reporting Program. The Final EIR and related CEQA documents are included in **Attachment 2 and Attachment 3**.

The Board has reviewed and considered these environmental documents and adopts the findings of the Lead Agency. (State CEQA Guidelines Section 15096.);

CEQA determination for Option #2:

Not applicable

Details and Background

Background

California's Proposition 1 in 2014 allocated \$7.5 billion for water system investments, with \$2.7 billion dedicated specifically to the implementation of the WSIP. The California Water Commission selected eight projects to

conditionally fund under the WSIP based on their associated public benefits. One of the conditionally funded projects is IEUA's CBP. The CBP's conditional WSIP funding has been increased twice to adjust for inflation, with the latest funding amount totaling \$215.2 million. In 2021, Metropolitan provided a letter of intent to continue collaborating with IEUA as its potential facilitating SWP contractor. Staff presented the Proposition 1 WSIP projects and an overview of the CBP to the Board in June 2021 and March 2022. In April 2022, the Board authorized the General Manager to negotiate an agreement consistent with the draft terms of the Metropolitan Water District/Inland Empire Utilities Agency Exchange Agreement. In April 2023, staff presented an informational update on the program's progress to the Board. Staff presented another oral update on CBP progress to the Board in August 2024.

Chino Basin Program Overview

The CBP is an innovative advanced treatment, storage, water exchange, and reliability program. Under the CBP, IEUA would construct an advanced water treatment facility to treat up to 15,000 acre-feet (AF) of recycled water per year. After treatment, the water would be stored in the Chino Basin groundwater basin using distribution facilities and injection wells constructed as part of the program.

As part of the water exchange agreement with the state, IEUA would agree to store up to 375,000 AF of advanced treated recycled water in the Chino Basin over a 25-year period. This stored water would be made available for exchange for an equivalent amount of Metropolitan's SWP Table A supplies. The exchanged SWP Table A supplies would provide the physical water supply for pulse flows released from Lake Oroville into the Feather River. The maximum amount of Table A supplies Metropolitan would transfer to the Department of Water Resources (DWR) for a pulse flow is 40,000 AF in one year.

To complete the exchange, IEUA would extract stored groundwater from the CBP and deliver it to Metropolitan's distribution system directly or by in-lieu pumping to meet IEUA service area demands. The amount of stored CBP water extracted by IEUA for in-lieu or direct delivery to Metropolitan would be equivalent to the exchanged Table A supplies. As a result, Metropolitan and its service area would remain whole in terms of water supply. The exchange would only occur during years when DWR determines that SWP operations and SWP contractor supplies would not be at risk. As a result, the state would not request an exchange in critically dry years. IEUA's extraction of stored CBP water for repayment to Metropolitan is also referred to as "local performance" within the Metropolitan/IEUA Exchange Agreement.

The CBP provides environmental, local, and regional benefits to multiple parties, including Metropolitan. The pulse flows from Lake Oroville to the Feather River will provide fish and ecosystem benefits. IEUA will retain ownership of the CBP facilities once the commitment to the state has been fulfilled, providing another source for local supply. The direct pump-in connection to the Rialto Pipeline could allow another source of supply to reach an otherwise SWP Dependent Area of Metropolitan's service area, and reach multiple member agencies in the Central Pool. Additionally, the CBP allows for an emergency use provision, where up to 50,000 AF (40,000 AF in a single year) could be borrowed by Metropolitan for use within its service area in emergency conditions.

Metropolitan's Role as a Facilitating State Water Contractor

A key component of the CBP requires SWP supplies that are stored in Lake Oroville to be exchanged and used to provide pulse flows in the Feather River. Since IEUA is not an SWP contractor, IEUA requested Metropolitan's participation in the CBP as a facilitating SWP contractor. Metropolitan would agree to facilitate the exchange of SWP supplies with stored water in the CBP and participate in necessary related agreements. The CBP is being developed under a tenet of "No Harm," meaning that its development and operation cannot adversely affect any of the parties or participants in the program. This tenet extends to the SWP and its contractors, to Metropolitan and its service area, and to IEUA and its member local agencies.

Metropolitan/IEUA Exchange Agreement Terms

In April 2022, the Board authorized the General Manager to negotiate an agreement consistent with the draft terms provided for the Metropolitan/IEUA Exchange Agreement. A summary of the final agreed-upon terms for this agreement is found below. The agreement terms are provided in **Attachment 1**.

The Metropolitan/IEUA Exchange Agreement is only one of the multiple expected agreements necessary to execute the CBP. Metropolitan is not expected to be a signatory to all CBP agreements. However, acknowledging that terms of other CBP agreements could affect Metropolitan's rights and responsibilities, an "Opportunity for Review" clause has been included in the Metropolitan/IEUA Exchange Agreement. This clause allows both IEUA and Metropolitan to review copies of final, executed versions of all other CBP agreements for a 90-day review period. Both parties would work cooperatively to develop any revisions deemed necessary. If IEUA and Metropolitan cannot agree on mutually acceptable revisions, either party may withdraw from the Metropolitan/IEUA Exchange Agreement upon 15 days' notice.

Planning, Design, and Construction

Metropolitan's role within the CBP is that of a facilitating partner. Therefore, the Metropolitan/IEUA Exchange Agreement does not commit Metropolitan to participate in funding or operation of CBP facilities. Metropolitan will not have any ownership rights aside from its portion of the Rialto Pipeline service connection. Metropolitan shall operate, maintain, and administer the Rialto Pipeline service connection for pump-in operations. IEUA will have primary CEQA responsibility for the CBP and all related facilities. IEUA will also be responsible for formalizing a service connection request for the Rialto Pipeline connection and providing information as required to Metropolitan.

Operation and Performance

An operating committee of staff from both Metropolitan and IEUA will be formed. The operating committee will produce an Annual Operating Plan that considers IEUA's facilities, availability of Metropolitan facilities, and timing of payback schedules, among other items, to determine if a pulse flow can be accommodated in a given year.

IEUA's delivery of stored CBP water to Metropolitan, referred to as local performance, will be accomplished through a combination of pump-in to the Rialto Pipeline and in-lieu production by participating IEUA member agencies. With a maximum annual local performance requirement of 40,000, local performance would be achieved by 30,000 AF of in-lieu production and 10,000 AF of direct pump-in to the Rialto Pipeline. Local performance will be fulfilled by the end of the following calendar year after a pulse flow occurs unless otherwise agreed to by the operating committee.

To ensure that adequate demands within the IEUA service area exist to provide local performance through in-lieu means, IEUA will enter into a "Take or Pay" contract to pay Metropolitan's supply rate for 30,000 AF in each year of the agreement. In a year where a pulse flow does not occur, Metropolitan will credit the supply rate against IEUA's actual Metropolitan purchases. In years where a pulse flow occurs, Metropolitan would credit back the supply rate commensurate with a certification of pumping from CBP facilities that indicates satisfactory performance.

Pump-in operations to Metropolitan's system via the Rialto Pipeline will also be subject to water quality requirements. Consistent with existing Metropolitan policy, pump-in water must not cause degradation in Metropolitan's facilities and water quality and must be consistent with Metropolitan's Policy for Acceptance of New Water into Conveyance Facilities. Prior to the introduction of pump-in water to Metropolitan's facilities, IEUA must provide to Metropolitan for review and approval the results of water quality tests from the pump-in water. Specific testing requirements have been provided to IEUA by Metropolitan. If Metropolitan determines the monitoring results indicate the water does not meet new source water policy standards, pump-in operations will cease immediately.

Failure to perform the agreed-upon exchange obligations for each of the respective parties is referred to in the agreement as "non-performance." IEUA's non-performance refers to the inability to execute and deliver the agreed-upon pump-in or in-lieu amount. Metropolitan's non-performance refers to the inability or unwillingness to transfer its Table A supplies to the state. Under IEUA non-performance, IEUA will return the non-performance water as soon as possible but in no event later than 12 months from the notice of non-performance. IEUA has three options to return non-performance water: (1) buy the water outright from Metropolitan (through a cyclic storage agreement or similar), (2) deliver water purchased on the open market to Metropolitan through the Rialto

Pipeline, or (3) implement an operating committee-approved alternative method. In the event that repayment of non-performance extends beyond 12 months after the notice of non-performance, IEUA shall purchase 1.5 times the remaining non-performance water quantity as cyclic storage water. Should Metropolitan be unable to meet its performance obligations, Metropolitan would be responsible for any state financial or water remuneration incurred by IEUA for the performance in question.

IEUA has a WSIP obligation to provide up to 50,000 AF (up to 40,000 AF in a single year) of water for emergency situations. IEUA and Metropolitan jointly believe the emergency use obligation language in the state public benefits contract would be interpreted to enable Metropolitan to initiate an emergency call for the use of this provision, provided that adequate CBP supplies are in storage. This provides an emergency benefit to Metropolitan's service area. IEUA and Metropolitan reserve the right to void the IEUA/Metropolitan Exchange Agreement should such emergency call provisions become unavailable to the parties.

Next Steps

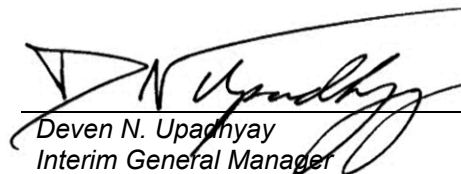
Staff will continue working with IEUA to determine other necessary agreements for program implementation, specifically for Metropolitan. Staff will continue to support program development, including participation in IEUA's current preliminary design report efforts. Design and construction for CBP facilities are expected to begin in 2025 and 2027, respectively. The program is expected to be operational around 2032.



Brandon J. Goshi
Interim Manager,
Water Resource Management

9/23/2024

Date



Deven N. Upadhyay
Interim General Manager

10/1/2024

Date

Attachment 1 – Term Sheet for Exchange Agreement between Metropolitan Water District of Southern California and Inland Empire Utilities Agency to Assist in Implementation of the Chino Basin Program

Attachment 2 – Final PEIR for the Chino Basin Program

Attachment 3 – Notice of Determination for the Chino Basin Program

Ref# wrm12698008

Term Sheet for Exchange Agreement between Metropolitan Water District of Southern California (Metropolitan) and Inland Empire Utilities Agency (IEUA) to Assist in Implementation of the Chino Basin Program (CBP)

Program Overview

1. IEUA's performance obligation under its Public Benefit Contract agreement with the State is 375,000 AF minus any credit received for Carriage Water.
2. The maximum annual amount requested for pulse flow shall be up to 40,000 AF. This volume shall be achieved through a combination of In-Lieu Production (30,000 AF) and Direct Pump-In (10,000 AF).
3. California Department of Fish and Wildlife (CDFW) has indicated pulse flows would only occur in below-normal and dry years. The water supplies being used for the pulse flows under the CBP will be provided by Metropolitan transferring a portion of its Table A supplies to the Department of Water Resources (DWR). DWR would follow its normal process for allocating Table A supplies to the State Water Contractors consistent with the terms and conditions of the existing State Water Project contract. Then, in call years, CDFW/DWR would determine the amount of Table A supplies needed to facilitate the desired pulse flow and request this amount from the Parties (referred to as a Pulse Flow Call).
4. IEUA and Metropolitan will both receive copies of final, fully executed versions of all other CBP agreements with a 90-day review period. IEUA and Metropolitan shall work cooperatively to develop any revisions deemed necessary. If IEUA and Metropolitan cannot agree on mutually acceptable revisions, either Party may withdraw from the IEUA/Metropolitan Exchange Agreement upon 15 days' notice.

Planning, Design, and Construction

1. Metropolitan's role in the CBP is to facilitate the exchange of water with DWR and IEUA. This agreement does not commit Metropolitan to participate in funding or operation of CBP Facilities (except the Rialto Pipeline service connection), nor will it have any ownership rights in the CBP Facilities.
2. IEUA shall be responsible for formalizing a service connection request and providing information as required for Metropolitan to implement the service connection.
3. Metropolitan shall operate, maintain, and administer the Rialto Pipeline service connection for pump-in operations.
4. IEUA will have primary California Environmental Quality Act responsibility for the CBP and CBP Facilities (including the service connection).

Operation and Performance

1. An Operating Committee composed of appropriate representatives from Metropolitan and IEUA shall be formed. The Operating Committee will meet to determine whether a take is feasible and create an Annual Operating Plan. Upon receiving notification of CDFW's interest in executing a pulse flow, the Parties will convene the Operating Committee to determine the feasibility of accommodating the pulse flow.
2. IEUA's repayment to Metropolitan through in-lieu and pump-in (collectively referred to as "local performance") will be completed by the end of the calendar year following a Pulse Flow Call unless otherwise agreed to by the Operating Committee.

3. IEUA will enter a Take or Pay Contract to pay Metropolitan's Supply Rate for 30,000 AF each year. In years where a pulse flow does not occur, Metropolitan will credit the supply rate against IEUA's Metropolitan purchases. In years where a pulse flow occurs, Metropolitan would credit back the supply rate if a certification of pumping from CBP indicates satisfactory in-lieu performance.
4. IEUA has an obligation to provide up to 50,000 AF (limited to a maximum of 40,000 AF in any year) of water for emergency situations, provided sufficient CBP supplies have been stored. Emergency situations include any circumstances when water shortages exist within the IEUA or Metropolitan service areas.
5. IEUA and Metropolitan believe the emergency use obligation language in the State public benefits contract must be interpreted to enable Metropolitan to initiate an emergency call. Parties reserve the right to void this agreement should such emergency call provisions be unavailable to the Parties. Emergency use by Metropolitan shall be credited against the total local performance obligation needed by IEUA.
6. Pump-in operations to the Rialto Pipeline must not cause degradation in Metropolitan's facilities and water quality and must be consistent with Metropolitan's Policy for Acceptance of New Water into Conveyance Facilities. A detailed pump-in proposal will be developed by the Operating Committee. The proposal must be approved by Metropolitan prior to any implementation, which will be the responsibility of IEUA.
7. Prior to the introduction of pump-in water to Metropolitan's facilities, IEUA must provide to Metropolitan for review and approval the results of water quality tests from the pump-in water. If Metropolitan determines the monitoring results indicate the water does not meet new source water policy standards, pump-in operations will cease immediately.
8. Failure to perform the agreed-upon exchange obligations for the respective Party is referred to as "non-performance." IEUA's non-performance refers to the inability to execute the agreed-upon pump-in or in-lieu amount. Under IEUA non-performance, IEUA will return the non-performance water as soon as possible but in no event later than 12 months from the notice of non-performance. IEUA has three options to return non-performance water: (1) Buy the water outright from Metropolitan (through a cyclic storage agreement or similar), (2) Deliver water purchased on the open market to Metropolitan through the Rialto Pipeline, or (3) Implement an Operating Committee-approved alternative method. In the event that repayment of non-performance extends beyond 12 months after the notice of non-performance, IEUA shall purchase 1.5 times the remaining non-performance water quantity as cyclic storage water.
9. Should Metropolitan be unable to meet its performance obligations, Metropolitan would be responsible for any State financial or water remuneration incurred by IEUA for the performance in question.

**FACTS AND FINDINGS REGARDING
FINAL SUBSEQUENT ENVIRONMENTAL IMPACT REPORT
FOR THE INLAND EMPIRE UTILITIES AGENCY PROGRAM
ENVIRONMENTAL IMPACT REPORT FOR THE CHINO BASIN PROGRAM
(SCH#2021090310) AND CANDIDATE STATEMENT OF OVERRIDING
CONSIDERATIONS REGARDING THE ENVIRONMENTAL EFFECTS FROM
IMPLEMENTING THE CHINO BASIN PROGRAM**

A. INTRODUCTION

The Inland Empire Utilities Agency (IEUA), in approving (certifying) the Chino Basin Program final Program Environmental Impact Report (PEIR) incorporating changes to the Chino Basin Program draft Program Environmental Impact Report, make the findings described below. These findings are based on the facts presented in public hearings on this matter, presented in the staff reports, environmental documents, and other information presented to the IEUA and summarized in this document. A statement of overriding considerations is presented at the end of these facts and findings in compliance with Section 15093 of the State CEQA Guidelines. The Final PEIR for the CBP ("Project"), State Clearinghouse (SCH) #2021090310, will be referred to herein as the "FPEIR". The total action that may be implemented by approval of the proposed CBP consists of all of the actions outlined in the FPEIR.

IEUA concluded that a Program EIR should be prepared to address the potential significant adverse environmental impacts that may result from implementing the CBP. IEUA based this determination to prepare a program EIR for the CBP on the fact that the EIR would need to evaluate the potential broad scope or programmatic environmental impacts that would result from constructing and implementing the whole of the proposed project.

The FPEIR has been prepared as the complete environmental document that encompasses all the issues addressed in the Draft PEIR (DPEIR), which determined the issues with a potential to cause significant adverse environmental impacts. The FPEIR serves as an informational document intended for use by IEUA, and responsible agencies such as Department of Water Resources (DWR), the California Department of Fish and Wildlife (CDFW), and Metropolitan Water District (MWD), as well as the general public in evaluating the potential environmental effects of implementing this project. IEUA prepared the Draft Program Environmental Impact Report (DPEIR) to address all topics required to be analyzed by CEQA and the CEQA Guidelines, as follows: aesthetics, agriculture and forestry resources, air quality, biological resources, cultural resources, energy, geology/soils, greenhouse gas emissions/climate change, hazards and hazardous materials, hydrology/water quality, land use/planning, mineral resources, noise, population/housing, public services, recreation, transportation, tribal cultural resources, utilities/service systems, and wildfire.

The proposed project could result in significant impacts to the following environmental issues: Biological Resources, Greenhouse Gas, and Utilities and Service Systems, based on the facts, analyses and findings in the DPEIR.

Based upon data provided in the DPEIR, it was concluded that the proposed project could result in potentially significant adverse impacts because, even with the implementation of substantial mitigation measures to avoid contributing to cumulatively considerable impacts to covered

species and supporting habitat, which can be substantially mitigated by implementing the Upper Santa Ana River Habitat Conservation Plan (HCP), impacts to the Santa Ana sucker (SAS) cannot be completely avoided. This is because, the proposed CBP project operations may result in a reduction in surface flows in the Santa Ana River and into Prado Basin. Additionally, Low Impact Development ordinances, local policies, and municipal storm water detention regulations will encourage water conservation and surface runoff detention, resulting in a cumulative reduction in surface flows reaching Prado Basin. Thus, the CBP is forecast to cause potentially significant unavoidable adverse impact to biological resources, specifically implementation of the CBP will contribute cumulatively to potential significant impacts to the Santa Ana Sucker due to the reduction in cumulative flows to the Santa Ana River.

In addition, as a result of the uncertainty surrounding the future power mix and energy demands of the proposed CBP, the CBP would potentially fail to procure its electricity from carbon-neutral electricity sources by 2045. Therefore, the long-term, indirect impacts of the CBP's operational GHG emissions would be potentially significant. Additionally, construction-related GHG emissions associated with the CBP would exceed the approximated SCAQMD threshold for 2030 of 6,000 MT of CO₂e per year during the most intensive year of construction activities (2027), and therefore would potentially hinder the statewide GHG emission reduction target for 2030. As such, while mitigation ensuring IEUA implements all feasible GHG reduction measures during operations would minimize impacts to the greatest extent feasible, construction-related impacts from implementation of the proposed CBP would be potentially significant. Thus, exceedances of applicable SCAQMD regional thresholds are considered significant and unavoidable, and the construction and operation of the proposed project could create a significant cumulative impact to global climate change. Furthermore, as a result of significant impacts related to construction-related GHG emissions that would exceed the approximated SCAQMD threshold for 2030 of 6,000 MT of CO₂e per year during the most intensive year of construction activities (2027), the proposed CBP could result in significant and unavoidable GHG impacts related to construction of new or expansion or modifications to existing water and wastewater facilities, as the expansion of such facilities are proposed under the CBP. As such, water and wastewater infrastructure impacts under Utilities and Service Systems are considered significant and unavoidable.

All other potential environmental issues evaluated in the DPEIR were determined to be less than significant either without mitigation or with implementation of the mitigation measures identified therein.

Approval and implementation of the CBP for 25 years beginning in 2028 constitutes the "proposed project" that was evaluated in the DPEIR. It is the total project outlined in Chapters 2 and 3 of the DPEIR that constitutes the proposed project considered in this FPEIR.

B. PROJECT SUMMARY

B.1 PROJECT LOCATION

The Chino Basin consists of about 235-square-miles of the upper Santa Ana River watershed. The boundary of the Chino Basin is legally defined in the 1978 Judgment in the case of Chino Basin Municipal Water District vs. the City of Chino et al. The Chino Basin is an alluvial valley that is relatively flat from east to west and slopes from the north to the south at a one to two percent grade. Valley elevation ranges from about 2,000 feet in the foothills to approximately 500 feet near Prado Dam. The Chino Basin is bounded:

- on the north by the San Gabriel Mountains and the Cucamonga Basin;
- on the east by the Rialto-Colton Basin, Jurupa Hills, and the Pedley Hills;

- on the south by the La Sierra Hills and the Temescal Basin; and
- on the west by the Chino Hills, Puente Hills, and the Spadra, Pomona, and Claremont Basins.

The Chino Basin is one of the largest groundwater basins in Southern California with about 5,000,000 acre-feet (AF) of groundwater and an unused storage capacity of approximately 1,000,000 AF. Cities and other water supply entities produce groundwater for all or part of their municipal and industrial supplies; and about 300 to 400 agricultural users continue to produce groundwater from the Basin. The Chino Basin is an integral part of the regional and statewide water supply system. Prior to 1978, the Basin was in an overdraft condition. After 1978, the Basin has been operated as described in the 1978 Judgment.¹

The principal drainage course of the Chino Basin is the Santa Ana River, which flows 69-miles across the Santa Ana River Watershed from its origin in the San Bernardino Mountains to the Pacific Ocean. The Santa Ana River enters the Basin at the Riverside Narrows and flows along the southern boundary to the Prado Flood Control Reservoir where it is eventually discharged through the outlet at Prado Dam into Orange County. Chino Basin is traversed by a series of ephemeral and perennial streams that include: Chino Creek, San Antonio Creek, Cucamonga Creek (Mill Creek), Deer Creek, Day Creek, Etiwanda Creek and San Sevaine Creek.

These creeks carry significant flows only during, and for a short time after, storm events that typically occur from November through March. Year-round flow occurs along the entire reach of the Santa Ana River due to year-round surface inflows at Riverside Narrows, discharges from municipal water recycling plants to the River between the Narrows and Prado Dam, and rising groundwater. Rising groundwater occurs in Chino Creek, in the Santa Ana River at Prado Dam, and potentially other locations on the Santa Ana River depending on climate and season.

The Chino Basin is mapped within the USGS – Corona North, Cucamonga Peak, Devore, Fontana, Guasti, Mount Baldy, Ontario, Prado Dam, Riverside West and San Dimas Quadrangles, 7.5 Minute Series topographic maps. The center of the Basin is located near the intersection of Haven Avenue and Mission Boulevard at Longitude 34.038040N, and Latitude 117.575954W.

B.2 PROJECT OBJECTIVES

The CBP has identified the following project objectives, which also help address local, State and Federal objectives as follows:

- **Meet Permit Compliance for the Continued Use of Recycled Water in the Chino Groundwater Basin:** The project provides groundwater recharge facilities to recharge high quality recycled water, thus reducing TDS levels within the Chino Groundwater Basin.
- **Maintain Commitments for Salt Management to Enable Sustainable Use of Recycled Water in the Basin:** With the implementation of AWPf with an expected effluent concentration of 100 mg/L, the recycled water TDS will be significantly reduced.
- **Develop Infrastructure That Addresses Long Term Supply Vulnerabilities:** The CBP would improve the use of recycled water at a regional level through new regional pipelines enabling greater potential access to recycled water and enhances local groundwater

¹ Original judgment in Chino Basin Municipal Water District vs. City of Chino, et al., signed by Judge Howard B. Weiner, Case No. 164327. File transferred August 1989, by order of the Court and assigned new case number RCV51010. The restated Judgment can be found here:

<http://www.cbwm.org/docs/WatermasterCourtFilings/2012%20Watermaster%20Restated%20Judgment.pdf>

supplies through the installation of additional extraction wells and through the installation of new wellhead treatment systems that would bring existing out-of-service wells online.

- **Provide a Source of Water for Emergency Response:** The project results in 15,000 AFY in local supplies which can be used to augment the water supply portfolio during unplanned or catastrophic events.
- **Develop an Integrated Solution to Produce State and Federal Environmental Benefits:** The project develops a highly reliable new water supply formally dedicated to environmental benefit that can be deployed dynamically and managed flexibly to address varying and changing ecological needs.

B.3 PROJECT CHARACTERISTICS

IEUA is proposing to develop the CBP, which would provide a regional water resources and groundwater management program for the Chino Basin. The CBP's scope is a revolutionary, first-of-its-kind program designed to help the region move beyond traditional water management practices and into a new era of water use optimization. The CBP promotes proactive investment in managing the water quality of the Chino Groundwater Basin and in meeting regional water supply reliability needs in the face of climate change, while leveraging California's interregional plumbing system and the Chino Basin's future potential for water recycling to produce benefits to local, State, and federal interest.

The CBP was submitted for Proposition 1 – Water Storage Investment Program (WSIP) funding and was awarded \$206.9M in conditional funding in July 2018. As a result, IEUA has developed the CBP program for which California Environmental Quality Act (CEQA) compliance has been determined to be required in order to implement this unique proposed conjunctive use program.

Under the WSIP, the CBP is proposed as a 25-year conjunctive use project that would develop and utilize a new advanced water purification facility (AWPF) to treat and store up to 15,000 acre-feet per year (AFY) of recycled water in the Chino Basin and extract the water during call years, which will likely be in dry seasons. The CBP would increase additional available groundwater supplies in the adjudicated Chino Basin through increased water recycling that would result from operation of a new AWPF and through groundwater storage by operation of new injection wells. The CBP would thereby enable IEUA to dedicate a commensurate amount of this “new” water locally generated from the AWPF to remain in the State Water Project system at Lake Oroville in Northern California that would otherwise be delivered to Southern California. The additional Lake Oroville water would subsequently be released in the form of “pulse flows” in the Feather River to improve habitat conditions for native salmonids and achieve environmental benefits.

IEUA's partner and the State Water Project Contractor that will facilitate the exchange for the CBP is Metropolitan Water District of Southern California (MWD). The CBP would produce 15,000 AFY of “new” water supply for a period of 25-years to provide for the State exchange, to be used in blocks of up to 50,000 AFY in hydrologically drier years when pulse flows in the Feather River would provide the most ecosystem benefit and other State Water Project (SWP) operations would not be affected. The exchange would be administered through agreements with the California Department of Water Resources (DWR), the California Department of Fish and Wildlife (CDFW), MWD, and other project partners.

Additionally, new water stored in the Chino Basin would also enhance emergency response water supply availability for IEUA and other participating agencies during crises such as flood or seismic events that disrupt imported water infrastructure. The infrastructure included in the CBP is consistent with infrastructure identified to reduce recycled water salinity for regulatory compliance

as well as water infrastructure that has been identified through IEUA's Integrated Water Resources Plan (IRP) effort.

The CBP would rely on water transfer agreements through MWD. For every acre-foot of water requested for north of the Delta ecosystem benefits, IEUA would pump locally stored groundwater and deliver it to MWD or use the water locally instead of taking raw imported water from MWD (referred to as "in lieu"). MWD would then leave behind an equivalent amount of water in Lake Oroville to be dedicated and released for the requested ecosystem benefit. The CBP can be operated in a way to provide up to 50,000 AFY of water for up to 7.5 years, with a consecutive draw of no more than 3 years, of the 25-year program (up to 375,000 AF total) as long as the groundwater extraction does not exceed the approved borrow amount. This would result in balancing the PUTs (the components to recharge purified water to the Chino Basin) and TAKES (the components to extract groundwater and convey potable water supply) to the Chino Basin at the end of the 25-year program, i.e., up to 375,000 AF would be recharged over 25 years and the same amount could be extracted over 25 years. The CBP includes two main categories of infrastructure facilities: PUT and TAKE components.

The annual PUT (the components to recharge purified water to the Chino Basin) and periodic TAKE cycles (the components to extract groundwater and convey potable water supply) would require the development of various facilities to support the overall CBP. These potential facilities are separated into four project categories: (1) Project Category 1: Well Development (Injection wells, extraction wells, etc.); (2) Project Category 2: Conveyance Facilities and Ancillary Facilities; (3) Project Category 3: Groundwater Storage Increase; and, (4) Project Category 4: Advanced Water Purification Facility and Other Water Treatment Facilities.

Ultimately, the CBP brings together these components cost-effectively and greatly enhances flexibility and resiliency to regional and local water operations, particularly during future extended droughts expected as climate change continues to impact California. The CBP's proposed AWPf, new injection and extraction facilities, conveyance facilities, and water system interconnections will allow more optimal management of local water supplies, including meeting water quality requirements for the continued use of recycled water within the Chino Basin, improved storage and recovery operations, as well as redundancies in water delivery infrastructure that will facilitate future rehabilitation and replacement of existing infrastructure.

Additionally, the proposed CBP requires an increase in the Safe Storage Capacity of the Chino Basin in order to accommodate an addition of up to 150,000 AF of managed storage above the existing Safe Storage Capacity (700,000 AF through June 30, 2030, and to 620,000 AF from July 1, 2030 through June 30, 2035). As such, the CBP would contemplate a tiered increase in Safe Storage Capacity that would accommodate CBP storage requirements as well as Chino Basin Watermaster (Watermaster) stakeholder storage requirements as follows: the CBP proposes an increase in Safe Storage Capacity up to 700,000 AF through June 30, 2039, and to 580,000 AF from July 1, 2039 through June 30, 2048, with the Safe Storage Capacity decreasing to 500,000 AF thereafter. The storage increase would accommodate the CBP during its 25-year planning horizon, and any future required increase in storage that may be necessary to accommodate the increased recharge and extraction capacities provided by CBP infrastructure would be addressed in future CEQA documentation. Overall, the CBP may: reduce dependence on imported water through development of infrastructure that would provide a new local source of water; improve water quality by reducing the expected TDS concentration of the AWPf effluent by 100 mg/L; and provide a new local water supply for the Basin as a result of the creation of the AWPf that would enable IEUA to continue treating recycled water to below the regulatory limits set by the Santa Ana Regional Water Quality Control Board's (RWQCB) Basin Plan for continued Basin use. This

proposed tiered increase would supersede the Safe Storage Capacity that was approved in March of 2021 by the IEUA Board and subsequently approved by the Watermaster in May 2021. Furthermore, as storage space in the Basin is regulated by the Watermaster, a Storage Agreement will be required in order for the proposed modification to the Safe Storage Capacity to be adopted.

Implementation of physical components of this project such as development of conveyance facilities, installation of the AWPf, and construction of the wells and water treatment facilities will, in most cases, each require the submittal of a Notice of Intent (NOI) to the State Water Resources Control Board (SWRCB) for a NPDES (National Pollution Discharge Elimination System) general construction stormwater discharge permit. This permit is granted by submittal of an NOI to the SWRCB, but is enforced through a Storm Water Pollution Prevention Plan (SWPPP) that identifies construction best management practices for the site. In the project area, the Santa Ana Regional Water Quality Control Board (RWQCB) enforces the best management practice requirements described in the NPDES permit by ensuring construction activities adequately implement a SWPPP.

Regulatory permits to allow fill and/or alteration activities due to project activities such as pipeline installation are likely to be required from the Army Corps of Engineers (ACOE), the Regional Board, and California Department of Fish and Wildlife (CDFW) over the life of the CBP. A Section 404 permit for the discharge of fill material into "waters of the United States" may be required from the ACOE; a Section 401 Water Quality Certification may be required from the Regional Board; a Report of Waste Discharge may be required from the Regional Board; and a 1600 Streambed Alteration Agreement may be required from the CDFW.

The U.S. Fish and Wildlife Service (USFWS) and/or CDFW may need to be consulted regarding threatened and endangered species documented to occur within an area of potential impact for future individual projects. This could include consultations under the Fish and Wildlife Coordination Act.

Land use permits may be required from local jurisdictions, such as individual cities and the two Counties (Riverside and San Bernardino). Air quality permits may be required from the South Coast Air Quality Management District (SCAQMD). Encroachment permits may be required from local jurisdictions, such as individual cities, California Department of Transportation (Caltrans), the two counties (Riverside and San Bernardino), Flood Control agencies, and private parties such as Southern California Edison, The Gas Company, or others such as BNSF Railway Company. Watermaster has a separate approval process for determining material physical injury to the stakeholders within the Chino Basin.

The above is considered to be a partial list of possible permitting agencies for future individual CBP projects.

C. ENVIRONMENTAL REVIEW

The entire administrative record, including the CBP PEIR, public comments and responses, IEUA Staff reports, and these facts, findings and statement of overriding considerations, serve as the basis for the IEUA's environmental determination. The IEUA Board's environmental determination is that the CBP FPEIR addresses all of the potential impacts from implementing the proposed project as outlined above and defined in detail in Chapter 3 of the CBP FPEIR. The detailed environmental impacts and proposed mitigation measures for the future development of the proposed project's facilities are presented in Chapter 4 of the CBP FPEIR, in the Chapter 1

Executive Summary and in the response to comments which is part of the CBP FPEIR. Alternatives to the proposed project are discussed in Chapter 5 of the CBP FPEIR. Evaluations of growth inducement, cumulative impacts, and irreversible commitment of resources are provided in Chapter 6, Topical Issues, of the CBP FPEIR. The findings outlined in the following section of this document contain a summary of the facts used in making findings and determinations for each of the environmental issues addressed in the CBP FPEIR.

- 1. Consideration of the EIR:** The CEQA environmental review process for the CBP was initiated in September of 2021 with the release of a Notice of Preparation (NOP) for public review and comment. The NOP was distributed to responsible and interested agencies and organizations and the State Clearinghouse, and was provided on IEUA's website as a link available to the public. A scoping meeting was held on October 6, 2021 in the IEUA Board Room, in the City of Chino, California.

As previously indicated, this FPEIR has been prepared to address the issues identified above in Section B and provide an informational document intended for use by the IEUA, interested and responsible agencies and parties, and the general public in evaluating the potential environmental effects of implementing the CBP. Technical documents relied upon for the analyses are provided in the appendices in Volume 2 of the DPEIR. The air quality and greenhouse gas emissions forecasts, and energy analysis were provided by Woodard & Curran; the cultural resources memorandum was provided by CRM TECH; the hydrology and water quality analyses were provided by West Yost; and the biological analysis was provided by Jacobs. Brown and Caldwell and WSC, Inc., also prepared the Chino Basin Program Assumptions Technical Memorandums that were relied upon to develop the project description. Additionally, the CBP Feasibility Study prepared by IEUA and GEI Consultants, Inc., was utilized in support of responding to comments on the project during the public review period. The NOP identified the full scope of environmental issues for focus in a draft PEIR. After review of the NOP comments, the scope of the draft PEIR (DPEIR) was finalized and no additional issues were added to the scope of the DPEIR beyond those mentioned in Section B of this document.

The proposed project DPEIR was released to the public for review and comment on October 28, 2021. The mandatory 45-day review period closed on December 13, 2021. A total of 7 comment letters were received on the DPEIR.

The CBP final Program Environmental Impact Report (FPEIR) dated May 8, 2022 was transmitted to all interested parties, including public agencies that commented on the DPEIR, to fulfill the requirements of Section 21092.5 of CEQA. The FPEIR and all supporting material has been made available to the IEUA Board and a summary of the FPEIR and its findings presented directly to the Board for consideration in making its decision to certify the FPEIR and approve the CBP.

The IEUA Board makes the following certifications pursuant to the California Environmental Quality Act Guidelines Section 15090. The Board finds and certifies that the CBP FPEIR has been completed in compliance with CEQA. The Board certifies that all voting members have reviewed and considered the FPEIR prior to approving the proposed CBP Project. In addition, all voting Board members have reviewed and considered the additional information presented at or prior to the public hearing on May 18, 2022. The Board further finds and certifies that the FPEIR reflects the independent judgment and analysis of IEUA, the Board and its Staff and the CBP FPEIR is adequate to make a decision for this proposed project.

2. **Full Disclosure:** The IEUA Board finds and certifies that the CBP FPEIR constitutes a complete, accurate, adequate and good faith effort at full disclosure under CEQA.
3. **Location of Record Proceedings:** The documents and other materials which constitute the record of proceeding upon which this decision is based are in the custody of the IEUA located at 6075 Kimball Avenue, Chino, CA 91708. This information is provided in compliance with Public Resources Code Section 21081.6(a)(2).
4. **Inland Empire Utilities Agency as Lead Agency under CEQA:** The Inland Empire Utilities Agency is the “lead agency” as defined by CEQA Guidelines Section 15050. In compliance with its authority and responsibility for overseeing wastewater treatment and imported water for the Chino Basin, IEUA has prepared the DPEIR and FPEIR for the proposed project, compiled these candidate facts, findings and Statement of Overriding Considerations in accordance with the CEQA Guidelines and the Public Resources Code, and will carry out all other duties and responsibilities required of a lead agency under CEQA and the CEQA Guidelines.

D. FINDINGS

Presented below are the environmental findings made by IEUA after its review of the documents referenced above; and consideration of written and oral comments on the proposed project at public hearings, including all other information provided during the decision-making process. These findings provide a summary of the information contained in the FPEIR, related technical documents, and the public hearing record that have been referenced by the IEUA Board in making its decision to approve the CBP.

The CBP FPEIR prepared for the proposed project addresses the consequences of implementing the components of the proposed project and operation of the future AWPf, wells, pipelines and associated infrastructure. This FPEIR, and supporting technical studies, evaluated 20 major environmental issues categories for potential significant adverse impacts. The major environmental issue categories presented consist of all those listed in the CEQA Guidelines' Appendix G Environmental Checklist Form. Short and long-term impacts and project-specific and cumulative impacts were evaluated from implementation of the proposed project. Some of the issue categories contained several sub-issues which are summarized below.

Of these 20 major environmental categories, the IEUA Board concurs with the findings in the CBP FPEIR, that the issues and sub-issues discussed below are either not significant without mitigation or they can be mitigated below a level of significance through implementation of mitigation measures. However, the Board concludes that impacts to greenhouse gas/climate change emissions and exceeding the greenhouse gas regional emission significance thresholds established by the South Coast Air Quality Management District (SCAQMD) as a result of the CBP cannot be fully mitigated to a level of insignificance even after imposition of all feasible mitigation. Additionally, the CBP is forecast to cause significant unavoidable adverse impact to biological resources, specifically implementation of the CBP will contribute cumulatively to potential significant impacts to the Santa Ana Sucker due to the reduction in cumulative flows to the Santa Ana River. Finally, it was concluded that the proposed CBP would result in significant impacts related to the construction-related GHG emissions that would result from the extension of water- and waste-water-related infrastructure, as such water and wastewater infrastructure impacts under Utilities and Service Systems are considered significant and unavoidable. For these issues that cannot be mitigated below a level of significance, the IEUA Board finds that overriding considerations exist which make these forecasted impacts acceptable.

Unavoidable (unmitigable) significant adverse environmental impacts of the project are described in Section F of this document. This discussion is followed by an analysis and comparison of the alternatives to the proposed project that are described in Section G of this document. Project benefits are described in Section H. The balancing of benefits and impacts and the Statement of Overriding Considerations for this project are described and evaluated in Section I of this document.

Mitigation measures referenced in this document are also contained in the Mitigation Monitoring and Reporting Program (MMRP) and are incorporated as part of the CBP FPEIR. The MMRP sets forth each mitigation measure and identifies the person or entity responsible for overseeing or enforcing the implementation of these mitigation measures. The monitoring program ensures that the measures identified in the CBP FPEIR will be implemented in accordance with mitigation discussions in the FPEIR.

E. NON-SIGNIFICANT IMPACTS IDENTIFIED IN THE FPEIR (CEQA GUIDELINES § 15091(a)(I))

The following issues were identified in the CBP FPEIR as having no potential to cause significant impact or were capable of having impacts reduced below a significant level by implementing the identified mitigation measures. All of these issues were fully addressed and substantiated in the FPEIR. All the following references are to findings in the CBP FPEIR. In the following presentation, each issue is identified; it is followed by a summary description of the potential significant adverse environmental effect and a short discussion of the findings and facts in the administrative record, as defined above.

The Inland Empire Utilities Agency Board hereby finds that all mitigation measures identified in the CBP FPEIR are feasible and will be implemented to mitigate identified impacts of this project and will be incorporated into or will be required of the project to avoid or substantially lessen potentially significant environmental impacts to either a less than significant level of impact or to the maximum extent feasible. Public Resources Code Section 21081 states that no public agency shall approve or carry out a project for which an environmental impact report has been certified which identifies one or more significant effects on the environment that would occur if the project is approved or carried out unless the public agency makes one or more of the following findings with respect to each significant effect:

- (1) Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant environmental effects thereof as identified in the completed environmental impact report;
- (2) Such changes or alterations are within the responsibility and jurisdiction of another public agency and such changes have been, or can and should be, adopted by such other agency; and/or
- (3) Specific economic, legal, social, technological, or other considerations, including considerations for the provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or project alternatives identified in the environmental impact report.

The Inland Empire Utilities Agency Board hereby finds, pursuant to Public Resources Section 21081 and CEQA Guidelines Section 15091(a)(1), that the following issues are nonsignificant adverse impacts because they either have no potential to cause a significant adverse impact or

because mitigation measures will be implemented, as outlined below, to reduce a potential significant impact to a less than significant level. The IEUA Board further finds that no additional mitigation measures or project changes are required to reduce the potential impacts discussed in this section to a less than significant level of impact. These issues and the measures adopted to mitigate them to a level of insignificance are as follows:

Issues Determined to be Nonsignificant in the CBP FPEIR

1. Aesthetics:

a. Would the project have a substantial adverse effect on a scenic vista?

Finding: Less Than Significant with Mitigation Incorporated (pg. 4-11 to 4-12, FPEIR)

Facts: The most significant visual resources in the project area are the hills and mountains surrounding the Chino Basin, pastoral landscapes in and within view of the project area and the Prado Basin wetlands that occur in the southern portion of the Chino Basin. The predominant scenic vistas in the CBP area, as identified in local General Plans (Cities of Upland, Pomona, Montclair, Chino Hills, Chino, Ontario, Rancho Cucamonga, Eastvale, Jurupa Valley, Fontana, Claremont, Pomona and Counties of San Bernardino and Riverside), are: the views of the San Gabriel, San Bernardino and Santa Ana Mountains, Chino Hills, Jurupa Hills, Puente Hills and San Jose Hills, Tonner Canyon, Prado Basin, the Chino farmlands, and certain road corridors.

For all 4 Project Categories, construction was determined to result in less than significant impacts due to the temporary nature of construction. Due to the varied footprints of the types of projects proposed, as well as the speculative nature of the locations for future CBP projects, mitigation was required to minimize the potential for an individual project to impact a scenic vista.

The implementation of Mitigation Measure (MM) **AES-1** would ensure that the proposed facilities' contribution to cumulative scenic vista impacts would be reduced to less than cumulatively considerable by meeting the local design and landscape standards. Furthermore, the implementation of MM **AES-2** will ensure that impacts to scenic resources from the implementation of future CBP facilities will be avoided or assessed further in future CEQA documentation if not avoidable.

Ultimately, with the implementation of mitigation, no permanent significant adverse effect on a scenic vista or the visual character of the area is forecast to result from implementing the proposed project.

b. Would the project substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?

Finding: Less Than Significant with Mitigation Incorporated (pg. 4-13 to 4-15, FPEIR)

Facts: There are roadways classified as eligible for state scenic highway status within the Chino Basin; however, there are no officially designated scenic highways. Eligible state scenic highways include: State Route (SR) 142 south of SR 71 and SR 71 south of SR 83 (Caltrans, 2016). The most significant visual resources are the hills and mountains surrounding the Chino Basin and the pastoral landscape that occurs

in the southern portion of the Chino Basin. The activity with the highest potential to conflict with local agency design guidelines is construction disturbance of the landscape. Such disturbance can be reduced to an acceptable level by landscaping or revegetating disturbed areas.

Many of the facilities, including the proposed AWPf and wellhead treatment facilities at existing well sites, that are likely to be implemented under the CBP would be installed within existing, developed water facility sites, many of which are in commercialized or industrial areas. The existing facilities are surrounded by block walls and/or chain link fences and, in some cases, vegetative visual buffers. Additionally, some of these facilities are landscaped. As such, on-site operations, including the proposed CBP facilities that would be installed within developed sites, would generally not be visible from off-site, and the visual character of these sites would not change. As specific facilities are proposed in the future, given that the specific locations for many other CBP facilities are presently unknown, mitigation is required to ensure that impacts to scenic resources are minimized to below significance thresholds.

The implementation of MM **AES-3** would ensure that the proposed facilities' impacts to scenic resources, such as trees, are minimized to a level of less than significant through replacement of trees, avoidance of scenic resources, or by undergoing a second tier CEQA evaluation. Furthermore, MM **AES-4** would ensure that future facilities are either not located within sites containing scenic resources or will undergo subsequent CEQA documentation to fully analyze the impacts thereof if not avoidable.

With implementation of mitigation as discussed above, development under the CBP will be consistent with current general plan requirements for protecting scenic resources and scenic highway visual values. No permanent loss of significant scenic resources will result from implementing the proposed project.

- c. **Would the project, in non-urbanized areas, substantially degrade the existing visual character or quality of public views of the site and its surroundings? (Public views are those that are experienced from publicly accessible vantage point). If the project is in an urbanized area, would the project conflict with applicable zoning or other regulations governing scenic quality?**

Finding: Less Than Significant with Mitigation Incorporated (pg. 4-15 to 4-17, FPEIR)

Facts: The proposed CBP facilities will utilize a variety of types of sites including existing facilities, underground systems within road- and through-ways, and new sites that may be undeveloped or highly disturbed to meet CBP objectives. Installation of aboveground facilities has a potential to modify the existing view or visual setting at future specific project sites which could cause a substantial negative visual impact. All facilities will be required to comply with the local jurisdiction zoning codes and other regulations governing scenic quality. However, mitigation measures are required to ensure compliance with the applicable zoning code, and to ensure that the proposed facilities will conform with design requirements established by local jurisdictions.

Although the specific project sites will be altered, and the impacts may be considered an adverse change, the change is not considered sufficient to be characterized as a

significant adverse impact due to the limited area that will be impacted at any one facility location, and the fact that the pipelines are not visible once construction is complete. The visual character and quality of the project area is not forecast to be significantly degraded. The facilities would be constructed to meet local jurisdiction current design standards.

The implementation of MM **AES-5** would ensure compliance with the applicable zoning code. Furthermore, MM **AES-6** would ensure that future facilities will conform with design requirements established by local jurisdictions.

Based on the specific criteria identified above, the existing visual character and quality of future sites will be modified, but it will be modified in a manner consistent with the local City/County General Plans vision for specific sites and roadways within their various jurisdictions. With adherence to community standards and through compliance with mitigation measures ensuring compliance with design requirements and zoning standards, the negative effects to aesthetics would be less than significant.

- d. **Would the project create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?**

Finding: Less Than Significant with Mitigation Incorporated (pg. 4-17 to 4-19, FPEIR)

Facts: Some of the proposed CBP facilities will require the installation of night lighting, possibly including areas where little or no night lighting currently exists. The development of some of the proposed facilities are to be within existing facility sites, which already have some lighting features, though sites have not been selected for many other future CBP facilities. Glare from new light fixtures that may be installed as part of proposed improvements has a potential to result in spill over lighting onto adjacent sensitive receptors such as residential, rural or wildlife habitat portions within the project area. Though no unusual or unique sources of light and glare are anticipated to be required in support of CBP facilities, mitigation to address the new or increased lighting that may result from the proposed CBP facilities is required.

The implementation of MM **AES-7** would ensure that light and glare impacts from future structures associated with the CBP are minimized to a level of less than significant.

With implementation of mitigation to ensure that this future increase in lighting does not result in a new source of substantial light or glare which would adversely affect day or nighttime views in the area, implementation of the CBP is not forecast to result in any significant light or glare effects.

Mitigation Measures

The IEUA has determined that the proposed project would have a potentially significant impact as a result of aesthetics or visual modifications from future CBP projects. Mitigation measures to reduce those potential impacts to below a level of significance are provided below.

AES-1 *Proposed facilities shall be designed in accordance with local design standards and integrated with local surroundings. Landscaping shall be installed in conformance with local landscaping design*

guidelines as appropriate to screen views of new facilities and to integrate facilities with surrounding areas.

- AES-2** *Future CBP facilities at unknown locations shall either (1) be located outside of scenic viewsheds identified in the General Plan or Municipal Code corresponding to a proposed location for a future facility; (2) be unobtrusive to scenic vistas due to height or other mitigating factors as confirmed by a visual simulation that demonstrates this; or (3) where (1) or (2) are not possible, undergo subsequent CEQA documentation to assess potential aesthetic impacts a future CBP facility may have upon contain scenic resources.*
- AES-3** *Should the removal of trees be required for a specific project, IEUA shall comply with the local jurisdiction's tree ordinance, municipal code, or other local regulations. If no tree ordinance exists within the local jurisdiction, and a project will remove healthy trees as defined by a qualified arborist, (1) the IEUA shall replace all trees removed at a 1:1 ratio, and (2) the specific location selected for a CBP facility shall avoid rock outcroppings and other scenic resources as defined in CEQA Guidelines Appendix G. If this cannot be accomplished a second tier CEQA evaluation shall be completed.*
- AES-4** *Future proposed facilities defined within the CBP at unknown locations shall either (1) be located within sites that avoid rock outcroppings and other scenic resources as defined in CEQA Guidelines Appendix G, or (2) undergo subsequent CEQA documentation to assess potential impacts from locating a future facility in an area that may contain scenic resources.*
- AES-5** *CBP facility implementation will conform with design requirements established in the local jurisdiction planning documents, including but not limited to the applicable zoning code, except where such compliance is not required by California law.*
- AES-6** *When CBP above ground facilities are constructed in the future, the local agency design guidelines for the project site shall be followed to the extent that they do not conflict with the engineering and budget constraints established for the facility and except where such compliance is not required by California law.*
- AES-7** *Future CBP projects shall implement at least the following measures, unless they conflict with the local jurisdiction's light requirements, in which case the local jurisdiction's requirements shall be enforced:*
- *Use of low-pressure sodium lights where security needs require such lighting to minimize impacts of glare; Projects within a 45-mile radius of the Mount Palomar Observatory and located within Riverside County must adhere to special standards set by the County of Riverside relating to the use of low-pressure sodium lights.*
 - *The height of lighting fixtures shall be lowered to the lowest level consistent with the purpose of the lighting to reduce unwanted illumination.*
 - *Directing light and shielding shall be used to minimize off-site illumination.*
 - *No light shall be allowed to intrude into sensitive light receptor areas.*
 - *Non-reflective materials and/or coatings shall be used on the exterior of all water storage reservoirs if constructed in a publicly visible location.*

IEUA finds that implementation of the above measures would reduce potential adverse aesthetics impacts to a level of less than significant. As described in Subchapter 4.2 of the FPEIR, all potential aesthetic impacts associated with the CBP can be mitigated to a less than significant impact level. Mitigation measures would: minimize impacts to scenic vistas through enforcing future projects to meet local design standards; minimize impacts to scenic resources through avoidance of such resources, or through assessment in subsequent CEQA documentation; minimize impacts to scenic resources such as trees through enforcement of compliance with local jurisdiction tree ordinance(s); minimize conflicts with regulations governing scenic quality through enforcing compliance with applicable zoning code and design requirements established by local jurisdictions; and, minimize light and glare impacts by enforcing local jurisdiction light and glare minimization standards. The above measures will be integrated into the proposed facilities that will be constructed without additional impacts on the environment. Since the proposed projects as analyzed above with the implementation of the above identified mitigation measures will not

directly or indirectly cause significant adverse impact to aesthetic resources, the proposed project is not forecast to contribute to cumulatively significant aesthetic impacts within the project area.

2. Agricultural Resources:

- a. **Would the convert Prime Farmland, Unique Farmland or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?**

Finding: Less Than Significant with Mitigation Incorporated (pg. 4-26 to 4-28, FPEIR)

Facts: The Chino Basin area historically contained significant agricultural resources; citrus ranches in the north and primarily dairy ranches and vegetable farms located in the southwestern portion of the County of San Bernardino. There are several areas of land designated by the California Department of Conservation as Prime Farmland, Unique Farmland, or Farmland of Statewide Importance within the Chino Basin area which includes portions of Riverside County. Those new facilities located north of State Highway (SH) 60 will not cause the loss of any important farmland. Those located south of SH 60 have a potential to cause the loss of some important farmland soil resources. Within the southern portion of the Basin, some wellhead treatment facilities, conveyance facilities and support equipment may be required to be located within important farmland areas resulting in a potentially significant impact to such resources. Where this occurs mitigation will be implemented to avoid or compensate for such impacts. To offset the impacts to important farmland in the southern Chino Basin, projects can compensate for such impacts to farmland resources by participating in important farmland mitigation banks, either ones created in the local area or mitigation banks established in other areas of California.

The implementation of MM **AGF-1** would ensure the proposed facilities' contribution to project specific or cumulative farmland impacts would be reduced to less than cumulatively considerable. If designated important farmland cannot be avoided, the IEUA shall conduct a California Land Evaluation and Assessment (LESA) model evaluation. If the evaluation determines the loss of important farmland will occur, IEUA shall either (1) relocate and avoid the site, or alternatively IEUA shall (2) where relocation is not possible, undergo subsequent CEQA documentation to assess potential impacts that a future CBP facility may have upon agricultural resources.

With the implementation of mitigation to address any CBP facilities located within important farmland, through avoidance of important farmlands during site selection or through subsequent CEQA documentation, the CBP would avoid or further analyze such impacts, thereby reducing impacts to a level of less than significant.

- b. **Would the project conflict with existing zoning for agricultural use or a Williamson Act contract?**

Finding: Less Than Significant with Mitigation Incorporated (pg. 4-28 to 4-29, FPEIR)

Facts: The same circumstance exists for the six cities that no longer include any designated agricultural land. The proposed project cannot conflict with existing land use designations. On the other hand, there are five agencies, the two counties and the cities of Chino, Chino Hills and Eastvale that still have some land assigned agricultural designations. The critical issue for such designated land is whether such designated land constitutes "important farmlands" in contrast to low value (from an

agricultural perspective) agricultural land, such as grazing land. Where future CBP water facilities or operations are proposed for implementation, a potential does exist for impact to important farmlands. However, mitigation is provided to minimize potential impacts to high value agricultural land.

The implementation of MM **AGF-1** includes the need to conduct a LESA Model if a facility is proposed on land designated as important farmland. If there is a determination that the loss of farmland is significant based on the LESA Model, the IEUA shall either (1) relocate and avoid the site, or alternatively IEUA shall (2) where relocation is not possible, undergo subsequent CEQA documentation to assess potential impacts that a future CBP facility may have upon agricultural resources.

With the implementation of mitigation to address any CBP facilities located within important farmland, through avoidance or providing a LESA Model of important farmlands during site selection and through avoidance or subsequent CEQA documentation, the CBP would avoid or further analyze such impacts, thereby reducing impacts to a level of less than significant

- c. **Would the project conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g))?**

Finding: No Impact (pg. 4-29 to 4-30, FPEIR)

Facts: The Chino Basin does not include zoning designations for forest land, timberland, or timberland zoned Timberland Production. The project area borders the San Bernardino National Forest, but it does not overlap with the Chino Basin boundaries.

With no acreage designated for timberland development in the Chino Basin by any of the local jurisdictions, no potential exists to adversely impact timberland through conflicts with such land use designation.

- d. **Would the project result in the loss of forest land or conversion of forest land to non-forest use?**

Finding: Less Than Significant with Mitigation Incorporated (pg. 4-30 to 4-31, FPEIR)

Facts: The southern-most portion of the Chino Basin overlaps with riparian woodland areas along the Santa Ana River; Chino Creek; and Mill Creek; and in the Prado Basin. Certain areas of these riparian woodlands may qualify as forest land. Other than these specific areas, no contiguous area of forest land occur in the Chino Basin. Further, no jurisdictions have designated areas within their jurisdiction with zoning designations for forest land.

All projects in the remainder of the Basin (outside of the southernmost portion of the Basin identified above) would not result in the loss of forest land or conversion of forest land to non-forest use, and therefore, would not contribute to any effect on forest or timberland losses from CBP implementation. However, as the locations for many future CBP facilities are presently unknown, and given that there is minimal potential for the CBP facilities to impact lands that might qualify as forest land, mitigation is required to reduce impacts to a level of less than significant.

For all projects implemented in the Chino Basin that actually impact “forest land/riparian woodland” MM **AGF-2** shall be required when five acres or more of such woodland is impacted in support of CBP projects.

With the implementation of mitigation to address the loss of significant riparian woodland/forest land (defined as loss of over five acres), through compensatory mitigation where significant riparian woodland/forest land exists, the CBP would avoid or compensate for forestry impacts, thereby reducing impacts to a level of less than significant.

- e. **Would the project involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use?**

Finding: No Impact (pg. 4-31 to 4-32, FPEIR)

Facts: As previously stated, no Williamson Act lands exist within the Chino Basin. Ultimately, the CBP may develop land adjacent to or within agricultural or forestry uses, which could contribute to changes within the existing environment which would result in conversion of agricultural or forestry uses to non- agricultural or non-forestry use.

The implementation of each mitigation measure involves avoidance as the first mitigation approach, but provides contingency measures to address impacts that cannot fully avoid these resources. Two of the mitigation measures require tests of onsite resources (the LESA Model or an evaluation to determine whether woodlands qualify as “forest land”) to determine whether they qualify as resources of sufficient importance that would require mitigation of potential impacts.

For the whole of that which would be developed and implemented as part of the CBP implementation of MMs **AGF-1** and **AGF-2** will reduce potentially significant adverse impacts to agricultural, forest, and timber resources to a less than significant impact level.

Mitigation Measures

The IEUA has determined that the proposed project would have a potentially significant impact as a result of the development of proposed CBP facilities that have a reasonable possibility of removing some agricultural or forestry land from operation. Mitigation measures to reduce the impact to below a level of potential significance are provided below.

AGF-1 *For all proposed facilities in the southern portion of the Chino Basin (south of SR 60), the potential for impact to Important Farmlands (Prime Farmland, Farmland of Statewide Importance, or Unique Farmland) shall be determined prior to final site election. If important farmland cannot be avoided and individually exceeds 5 acres or cumulatively exceeds 10 acres of important farmland lost to agricultural production over the life of the program, IEUA shall provide compensatory mitigation in the form of comparable important farmland permanently conserved in either a local or State-approved important farmland mitigation bank at a mitigation ratio of 1:1. The acquisition of this compensatory mitigation shall be completed within one year of initiating construction of the proposed facility and verification shall be documented by IEUA.*

AGF-2 *For all proposed facilities that may impact riparian woodland/forest land in the portion of the Chino Basin (SR 60), the potential for impacts to riparian woodland/forest land shall be determined prior to final site election. If important forest land cannot be avoided and permanently will exceed 5 acres*

in area, IEUA shall relocate and avoid the site, or alternatively IEUA shall conduct an evaluation to determine if it qualifies with the State definition of "forest land." If the evaluation determines the permanent loss of important forestland will occur, IEUA shall provide compensatory mitigation in the form of comparable forest land permanently conserved in either a local or State-approved important forest land mitigation bank at a mitigation ratio of 1:1. Alternatively, IEUA may carry out a forest land creation program at a 1:1 ratio for comparable woodland. The acquisition or creation of this compensatory mitigation shall be completed/initiated within one year of initiating construction of the proposed facility and verification shall be documented by IEUA.

IEUA finds that implementation of the above measures would reduce potential adverse impacts associated with the conversion of important agricultural and/or forest lands. The above measure can be implemented without causing additional adverse environmental impacts. The above measures will be integrated into the proposed facilities that will be constructed without additional impacts on the environment. Since the proposed project as analyzed above will not directly or indirectly cause significant adverse impact to agricultural lands, the proposed project is not forecast to contribute to cumulatively significant conversion of agricultural or forest lands within the project area.

3. Air Quality

a. Would the project conflict with or obstruct implementation of the applicable air quality plan?

Finding: Less Than Significant Impact With Mitigation Incorporated (pg. 4-56, FPEIR)

Facts: The CBP would involve the replacement of imported water with a local water supply, which would add reliability to the IEUA water portfolio serving existing customers as well as future customers associated with planned growth in the area. Therefore, the proposed CBP would not lead to unplanned population, housing or employment growth that exceeds the forecasts used in the development of the AQMP. Furthermore, with implementation of MM **AQ-1** (discussed below under question [b]) and adherence to existing regulations, the proposed CBP would not result in emissions of criteria air pollutants that would conflict with the AQMP regional rules and regulations established to achieve the federal air quality standards. Therefore, impacts related to the applicable air quality control plan would be less than significant with mitigation incorporated.

b. Would the project result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard?

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-57 to 4-59, FPEIR)

Facts: Consistent with South Coast Air Quality Management District (SCAQMD) guidance, maximum daily construction-related VOC, NO_x, carbon monoxide, sulfur oxide, PM₁₀, and PM_{2.5} emissions from demolition, site preparation, grading, infrastructure installation, building construction, paving, and other activities have been quantified for each year of construction activities and compared to the regional significance thresholds for construction-related emissions, along with the project maximum daily emissions with mitigation implemented for Construction:

- VOC: threshold 75; Project Yearly Max 32 Exceeds Threshold? No
- NO_x: threshold 100; Project Yearly Max 280; Exceeds Threshold? Yes
- CO: threshold 550; Project Yearly Max 238; Exceeds Threshold? No
- SO_x: threshold 150; Project Yearly Max 1; Exceeds Threshold? No
- PM₁₀: threshold 150; Project Yearly Max 57; Exceeds Threshold? No

- $PM_{2.5}$: threshold 55; Project Yearly Max 29; Exceeds Threshold? No

Mitigation is required to minimize impacts related to construction emissions, specifically to minimize NO_x emissions. IEUA may choose to meet the performance standard of MM **AQ-1** in a variety of ways. For example, IEUA may choose to require its contractor(s) to utilize a fleet in which 75 percent of the construction equipment and vehicles, with the exception of drill rigs, used for construction activities are equipped with Tier 4 Final engines. Implementation of this scenario to achieve the performance standard of MM **AQ-1** would reduce maximum daily construction emissions of NO_x to below the SCAQMD regional significance threshold. As such, CBP construction would not cause a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard; impacts are less than significant with mitigation.

Long-term operation of individual projects implemented under the CBP would involve occasional operations and maintenance trips and increased energy consumption to operate the AWPf, wellhead treatment facilities, pump stations, and injection and extraction wells. No overlap between construction and operation is anticipated to occur. While emissions of criteria pollutants would result from motor vehicle trips associated with maintenance and operation of the CBP facilities, these emissions would be negligible due to the minimal trips generated by the project.

Operational electricity consumption would not result in direct project emissions of criteria air pollutants. Only direct emissions of criteria pollutants from energy sources that combust on-site, such as natural gas, are attributed to individual projects. None of the individual projects implemented under the proposed CBP would result in the combustion of natural gas on-site. Criteria pollutant emissions from the power plants that would provide electricity to CBP facilities are associated with the power plants themselves, which are stationary sources permitted by air districts and/or the U.S. EPA, and are subject to local, state and federal control measures. Thus, emissions of criteria pollutants related to electricity consumption are not attributable to individual projects.

Therefore, operational emissions of criteria air pollutants would be minimal and would not have the potential to exceed the SCAQMD regional significance thresholds. Operational impacts are less than significant with mitigation

c. Would the project expose sensitive receptors to substantial pollutant concentrations?

Finding: Less Than Significant Impact (pg. 4-59 to 4-63, FPEIR)

Facts: Although multiple individual projects under the CBP may be constructed simultaneously, each project under construction is not anticipated to be located in such close proximity to other projects under construction that multiple individual projects would affect the same sensitive receptor. Thus, it is unlikely that the combined effects of individual projects under all project categories would result in greater localized air quality impacts related to criteria air pollutant emissions than those evaluated above for each project category. No additional localized air quality impacts related to criteria air pollutant emissions would occur as a result of the combined project categories.

As discussed under checklist item (b), operation of individual projects under the proposed CBP would result in negligible long-term criteria air pollutant emissions that would not exceed SCAQMD emissions standards. If a project is consistent with the latest adopted AQMP and does not exceed the SCAQMD significance thresholds, it can be assumed that it would not have a substantial adverse impact on public health because the AQMP is designed to be consistent with the federal Clean Air Act and the SCAQMD thresholds are set at the level at which a project would cause or have a cumulatively considerable contribution to an exceedance of a federal or State ambient air quality standard, which are protective of public health. Therefore, project operation would not expose sensitive receptors to substantial criteria air pollutant concentrations, and impacts would be less than significant.

Furthermore, based on the low background level of carbon monoxide in the SCAB, continued improvement in vehicle emissions standards for new cars in accordance with State and federal regulations, and the low level of operational carbon monoxide emissions associated with operation of CBP facilities, the CBP would not create new hotspots or contribute substantially to existing hotspots. Therefore, the CBP would not expose sensitive receptors to substantial concentrations of carbon monoxide, and impacts would be less than significant.

SCAQMD CEQA guidance does not require preparation of a health risk assessment for short-term construction emissions. Moreover, CBP construction sites would be distributed throughout the Chino Basin such that people affected by construction-related toxic air contaminant (TAC) emissions generated at one construction site would not be affected by construction-related TAC emissions generated at another construction site should construction activities occur simultaneously. Therefore, the CBP is not forecast to result in the exposure of off-site sensitive receptors to significant amounts of carcinogenic or toxic air contaminant during construction. Additionally, none of the project types proposed by the CBP include the types of facilities mentioned in the SCAQMD Air Toxics "Hot Spots" Program annual reporting. Therefore, the CBP would not result in the exposure of off-site sensitive receptors to significant amounts of carcinogenic or toxic air contaminant during operation. No impacts would occur.

Ultimately, the CBP would have a less than significant potential to expose sensitive receptors to substantial pollutant concentrations and no mitigation is required.

- d. **Would the project result in other emissions (such as those leading to odors) adversely affecting a substantial number of people?**

Finding: Less Than Significant Impact (pg. 4-64, FPEIR)

Facts: Potential odor sources associated with the proposed project may result from construction equipment exhaust during construction activities and the temporary storage of typical solid waste (refuse) associated with the proposed project's uses. Standard construction requirements would minimize odor impacts from construction. The construction odor emissions would be temporary, short-term, and intermittent in nature and would cease upon completion of the respective phase of construction and is thus considered less than significant. It is expected that project-generated refuse would be stored in covered containers and removed at regular intervals in compliance with the lead agency's solid waste regulations. The project would be

required to comply with SCAQMD Rule 402 to prevent occurrences of public nuisances. Therefore, odors associated with the proposed project construction and operations, particularly the new AWP in Rancho Cucamonga, would be less than significant and no mitigation is required.

Mitigation Measures

The IEUA has determined that the proposed project would have a potentially significant impact as a result of the emissions generated by the development proposed CBP facilities. Mitigation measures to reduce the impact to below a level of potential significance are provided below.

AQ-1: *IEUA shall require its contractor(s) to use off-road equipment that meets the U.S. EPA certified Tier 4 Final engines or engines that are certified to meet or exceed the emission ratings for U.S. EPA Tier 4 Final or Interim engines such that average daily nitrogen oxide (NO_x) emissions are verified to be below the SCAQMD regional significance threshold of 100 pounds per day.*

IEUA finds that implementation of the above measure would reduce potential adverse impacts associated with the generation of emissions during construction of the proposed CBP facilities. The above measure can be implemented without causing additional adverse environmental impacts. The above measures will be integrated into the proposed facilities that will be constructed without additional impacts on the environment. Since the proposed project, as analyzed above will not cause significant adverse impact to air quality, implementation of the CBP is not forecast to result in any unavoidable project specific or cumulative adverse impacts to air quality.

4. Biological Resources: Impacts under Biological Resources, checklist questions “a,” “b,” “d,” and “f” are significant and cannot be mitigated to a level of insignificance. The discussion of this specific issue under Biological Resources is located below in Section F of this document. The checklist questions under Biological Resources that can be mitigated to a level of less than significant are as follows:

c. Would the project have a substantial adverse effect on state or federally protected wetlands (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-100 to 4-102, FPEIR)

Facts: Based on the background review and subsequent windshield surveys, numerous jurisdictional waters occur in the Study Area where the CBP will be implemented. Many of the jurisdictional waters (built waterways) are heavily managed by local agencies, which serve public water needs, flood control, and agricultural production. As a result, some of these jurisdictional waters support few natural biological functions and values.

Direct impacts on natural and man-made features include the removal or modification of local hydrology, the redirection of flow, and the placement of fill material. In the case of man-made features, these impacts would remove or disrupt the limited biological functions that these features provide. In natural areas, these activities would remove or disrupt the hydrology, vegetation, wildlife use, water quality conditions, and other biological functions provided by the resources.

Temporary impacts on jurisdictional waters include the placement of temporary fill during construction in both man-made and natural jurisdictional waters. Temporary fill could be placed during the construction of access roads and staging/equipment storage areas. The temporary fill would result in a temporary loss of jurisdictional waters and could potentially increase erosion and sediment transport into adjacent areas.

A Jurisdictional Determination and subsequent approval of the determination by the regulatory agencies will be conducted on each facility that is determined to impact jurisdictional waters as the design becomes available and construction of a particular facility is scheduled to occur within the foreseeable future. As stated above under Biological Resources issues “a” and “b”, the mitigation strategy includes avoidance of impacts on sensitive habitat to the extent possible through requiring the following: acquisition of regulatory permits and implementing subsequent mitigation that would minimize impacts related to discharge of fill or streambed alteration of jurisdictional areas (**BIO-3**); require jurisdictional water preconstruction surveys to determine the potential impacts thereof, which will inform the mitigative actions required to minimize impacts to jurisdictional waters/areas (**BIO-4**); require specific measures pertaining to water diversion to minimize impacts to jurisdictional waters during construction (**BIO-24**); and, require the continued preparation of annual Prado Basin Habitat Sustainability Monitoring Program and review of impacts thereof in subsequent environmental documents should the monitoring program suggest that habitat is adversely impacted (**BIO-25**).

With implementation of mitigation measures outlined herein, unforeseen direct impacts, indirect impacts, and temporary impacts to natural and man-made water bodies would be mitigated to a level of less than significant. As such, the CBP would have a less than significant potential to have a substantial adverse effect on state or federally protected wetlands through direct removal, filling, hydrological interruption, or other means.

- e. **Would the project conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?**

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-102, FPEIR)

Facts: The proposed CBP will be developed within the Chino Basin including the following local jurisdictions and areas: Chino, Chino Hills, Fontana, Ontario, Rancho Cucamonga, Upland and unincorporated areas of San Bernardino County. The Basin and CBP area also include limited areas of Riverside County. As such, future CBP infrastructure facilities would be subject to various local ordinances.

One of the main concerns under this issue is the potential for the CBP to conflict with a tree preservation policy. MM **BIO-10**, which requires the maximization of the preservation of trees. Furthermore, under Aesthetics, MM **AES-3** requires the implementing agency to comply with the local jurisdiction’s tree ordinance, municipal code, or other local regulations and provides subsequent requirements where a tree preservation ordinance does not exist, including completion of a second tier CEQA evaluation, to further minimize impacts thereof. Additionally, MM **LU-1** ensures that the facilities associated with the CBP are developed to minimize conflicts with adjacent land uses, which would further minimize the CBP’s potential impacts to or

conflicts with any local policies or ordinances protecting biological resources. With the implementation of the above mitigation measures, as well as the entirety of the compiled mitigation designed to minimize impacts to biological resources, impacts related to the CBP's potential to result in conflicts with local ordinances would be less than significant.

Mitigation Measures

IEUA has determined that the proposed project could have a potentially significant impact on biological resources checklist items "c" and "e." Mitigation measures to reduce the impact to below a level of potential significance are provided below.

To reduce or prevent activities that may adversely affect rivers, streambeds or wetlands, the following mitigation measures will be incorporated into any specific projects and/or contractor specifications for future project-related impacts to protect sensitive resources and habitat.

BIO-3: *Prior to discharge of fill or streambed alteration of state or federal water jurisdictional areas, IEUA shall obtain regulatory permits from the U.S. Army Corps of Engineers, local Regional Water Quality Control Board and the California Department of Fish and Wildlife as required. Any future project that must discharge fill into a channel or otherwise alter a streambed shall be minimized to the extent feasible, and any discharge of fill not avoidable shall be mitigated through compensatory mitigation. Mitigation can be provided by restoration of temporary impacts, enhancement of existing resources, or purchasing into any authorized mitigation bank or in-lieu fee program; by selecting a site of comparable acreage near the site and enhancing it with a native riparian habitat or invasive species removal in accordance with a habitat mitigation plan approved by regulatory agencies; or by acquiring sufficient compensatory habitat to meet regulatory agency requirements. Typically, regulatory agencies require mitigation for jurisdictional waters without any riparian or wetland habitat to be mitigated at a 1:1 ratio. For loss of any riparian or other wetland areas, the mitigation ratio will begin at 2:1 and the ratio will rise based on the type of habitat, habitat quality, and presence of sensitive or listed plants or animals in the affected area. A Habitat Mitigation and Monitoring Proposal shall be prepared and reviewed and approved by the appropriate regulatory agencies. IEUA will also obtain permits from the regulatory agencies (U.S. Army Corps of Engineers, Regional Water Quality Control Board, CDFW and any other applicable regulatory agency with jurisdiction over the proposed facility improvement) if any impacts to jurisdictional areas will occur. These agencies can impose greater mitigation requirements in their permits, but IEUA will utilize the ratios outlined above as the minimum required to offset or compensate for impacts to jurisdictional waters, riparian areas or other wetlands.*

BIO-4: *Jurisdictional Water Preconstruction Surveys: A federal and state jurisdictional water preconstruction survey will be conducted at least three months before the start of ground-disturbing activities to identify and map all jurisdictional waters in the project footprint and up to a 250-foot buffer around the project footprint, subject to legal property access restrictions. The purpose of this survey is to confirm the extent of jurisdictional waters within the project footprint and adjacent up to 250-foot buffer. If possible, surveys would be performed during the spring, when plant species are in bloom and hydrological indicators are most readily identifiable. These results would then be used to calculate impact acreages and determine the amount of compensatory mitigation required to offset the loss of wetland functions and values.*

Implementation of the following mitigation measure will ensure that project design and site selection reduce impacts to sensitive biological resources to the extent feasible.

BIO-10: *Maximize the preservation of individual oak, sycamore and walnut trees within proposed CBP Infrastructure sites. Preservation is defined within this measure as follows: existing oak, sycamore and walnut trees within a given Project site shall be retained within the site to the maximum extent feasible except where their preservation would interfere with functional and reasonable project design. Where the preservation of individual trees is not possible, IEUA shall comply with the local jurisdiction's tree ordinance, municipal code, or other local regulations. If no tree ordinance exists within the local jurisdiction, and a project will remove healthy trees as defined by a qualified arborist,*

(1) IEUA shall replace all trees removed at a 1:1 ratio, and (2) the specific location selected for a well shall avoid rock outcroppings and other scenic resources as defined in CEQA Guidelines Appendix G. If this cannot be accomplished a second tier CEQA evaluation shall be completed.

Implementation of the following mitigation measures will ensure that project construction impacts to sensitive biological resources, including the potential effects of invasive species, are reduced to the extent feasible.

BIO-24 *Dewatering/Water Diversion Plan: If construction is planned to occur where there is open or flowing water, prior to the commencement of construction IEUA shall submit the Dewatering Plan prepared in coordination with the resource agencies (e.g., USACE, SWRCB/RWQCB, and CDFW, as appropriate). The Dewatering Plan shall identify how open or flowing water will be routed around construction areas, such as through the creation of cofferdams. If cofferdams are constructed, implementation of the following cofferdam or water diversion measures shall be implemented to avoid and lessen impacts on jurisdictional waters during construction:*

- *The cofferdams, filter fabric, and corrugated steel pipe are to be removed from the creek bed after completion of the project.*
- *The timing of work within all channelized waters is to be coordinated with the regulatory agencies.*
- *The cofferdam is to be placed upstream of the work area to direct base flows through an appropriately sized diversion pipe. The diversion pipe will extend through the Contractor's work area, where possible, and outlet through a sandbag dam at the downstream end.*
- *Sediment-catch basins immediately below the construction site are to be constructed when performing in-channel construction to prevent silt- and sediment-laden water from entering the main stream flow. Accumulated sediments shall be periodically removed from the catch basins.*

BIO-25 *Permanent Water Diversion Projects: IEUA shall continue to support preparation of the annual Prado Basin Habitat Sustainability Monitoring Program. IEUA shall conduct a second-tier CEQA evaluation for a proposed water diversion project associated with the CBP. The potential impacts to Prado Basin and sensitive habitat (for example riparian, wetland, or critical habitat) from implementation of such diversion projects shall receive public review, including pertinent wildlife management agencies and interested parties.*

Two other measures are also required to minimize impacts under biological resources, though these measures (**AES-4**, and **LU-1**) are provided under their respective sections herein.

IEUA finds that implementation of the above measures would reduce potential impacts to wetlands, impacts related to compliance with local policies or ordinances pertaining to the protection of biological resources, and impacts related to compliance with applicable local ordinances. The above measures can be implemented without causing additional adverse environmental impacts. The above measures will be integrated into the future development activities without additional impacts on the environment. Since the proposed project, as analyzed above, will not directly or indirectly cause significant adverse wetland or local policy impacts under biological resources with implementation of mitigation, the proposed project is not forecast to contribute to cumulatively considerable wetland or local policy impacts related to implementation of the CBP.

5. Cultural Resources

- a. **Would the project cause a substantial adverse change in the significance of a historical resource pursuant to §15064.5?**
- b. **Would the project cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5?**

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-133 to 4-139, FPEIR)

Facts: Since the proposed project is at the programmatic level, specific locations for the proposed CBP facilities, with the exception of the AWPf at RP-4, have not been have yet to be determined. As such, where the locations of CBP facilities are unknown, impacts to specific historical, archaeological, and paleontological resources are speculative. Previously unknown and unrecorded cultural resources may be unearthed during excavation and grading activities for individual projects. If previously unknown potentially unique buried archaeological or paleontological resources are uncovered during excavation or construction, significant impacts could occur. Therefore, mitigation will be implemented that would require site-specific studies to identify potentially significant historical, archaeological, and paleontological resources. Additional studies would minimize potential impacts to historical, archaeological, and paleontological resources.

Note that, no buildings, structures, objects, sites, features, or artifacts of prehistoric or historical origin were encountered within or adjacent to RP-4 during the cultural site survey. Therefore, IEUA concurs with a finding of No Impact regarding “historical resources.” No further cultural resources investigation is recommended for the project unless construction plans undergo such changes as to include areas not covered by this study. However, if buried cultural materials are discovered during earth-moving operations associated with the project, all work in that area should be halted or diverted until a qualified archaeologist can evaluate the nature and significance of the finds. As such, MM **CUL-1** must be implemented to ensure impacts would be less than significant. MM **CUL-1** would exclude highly disturbed sites from requiring further cultural resource evaluation, unless IEUA is seeking additional state funding or federal funding for the project, and would require the IEUA to adhere to procedures pertaining treatment of cultural resources that may be accidentally discovered during earthmoving activities.

MM **CUL-2** would ensure that future CBP Infrastructure facilities that are located within undisturbed areas, within a site that will require substantial earthmoving activities and/or excavation, and/or IEUA is seeking State funding, will require a follow-on Phase I Cultural Resources Investigation. This mitigation measure includes several phases or steps beyond the completion of a Phase I Cultural Resources Investigation that would cover the identification, evaluation, mitigation, and monitoring associated with a given project where resources may be located. This would ensure that adequate mitigation is provided in the event that significant cultural resources are located within a given CBP Infrastructure project site.

MM **CUL-3** would ensure that, after each phase of the studies required by MM **CUL-2** has been completed, where required, a complete report on the methods, results, and final conclusions of the research procedures is prepared and submitted to SCCIC, EIC, NHMLAC, and/or SBCM. This would ensure that any discoveries are properly documented for future researchers that may seek information regarding the CBP Infrastructure project site.

It can be anticipated that projects proposed under CBP may involve modifications to or may otherwise encounter common infrastructure features that are more than 50 years of age, but have a low potential to be considered historically significant, such as existing roadways and minor, utilitarian structures serving as pumphouses or reservoirs, as well as numerous historic-period buildings that are adjacent to the project boundaries but are unlikely to receive any direct or indirect impact. A

programmatic agreement, enforced through MM **CUL-4** would outline the proper treatment of such properties in future project-specific studies, which will greatly streamline the design and completion of such studies, facilitate the State Historic Preservation Officer (SHPO) review process, and minimize potential project delays.

The potential construction impacts of the CBP Infrastructure project, in combination with other projects as a result of growth in the area, could contribute to a cumulatively significant impact to specific historical, archaeological, and paleontological resources if encountered during project construction. However, implementation of MMs **CUL-1** through **CUL-4** would minimize the contributions of CBP Infrastructure projects to this significant cumulative impact, and the project's contribution would not be cumulatively considerable.

c. Would the project disturb any human remains, including those interred outside of formal cemeteries?

Finding: Less Than Significant Impact (pg. 4-139 to 4-140, FPEIR)

Facts: Given the large size of the Chino Basin, there is a potential that a given CBP Project site could be located in a sensitive area. As such, in the event that human remains are inadvertently discovered during project construction activities, the human remains could be inadvertently damaged, which could result in a significant impact. Implementation of the proposed project would comply with provisions of state law regarding discovery of human remains, including Public Resources Code Section 5097.98 and Health and Safety Code Section 7050.5. If human remains are accidentally exposed during site grading, Section 7050.5 of the California Health and Safety Code requires a contractor to immediately stop work in the vicinity of the discovery and notify the County Coroner, who must follow procedures to ensure the most likely descendant (MLD) has an opportunity to be consulted. Since this process is statutorily mandated, no additional mitigation is required to ensure that the impacts to human remains will be less than significant.

Mitigation Measures

IEUA has determined that the proposed project could have a potentially significant impact on unknown subsurface cultural resources. Mitigation measures to reduce the impact to below a level of potential significance are provided below.

CUL-1: *Where a future discretionary project requiring additional CEQA review is proposed within an existing facility that has been totally disturbed due to it undergoing past engineered site preparation (such as a well site or water treatment facility site), the agency implementing the CBP project will not be required to complete a follow on cultural resources report (Phase I Cultural Resources Investigation) unless IEUA is seeking additional State or federal funding, in which case IEUA shall prepare a Phase I Cultural Resources Investigation to satisfy State CEQA-plus or federal agency requirements.*

Where a Phase I Cultural Resources Investigation is not required or has already been completed (such as at RP-4), the following shall be required to minimize impacts to any accidentally exposed cultural resource materials:

- *Should any subsurface cultural resources be encountered during construction of these facilities, earthmoving or grading activities in the immediate area of the finds shall be halted and an onsite inspection shall be performed immediately by a qualified archaeologist meeting the Secretary of Interior Standards for Archaeology. Responsibility for making this determination shall be with IEUA's trained onsite inspector. An archaeological professional shall assess the find, determine its*

significance, and make recommendations for appropriate mitigation measures in accordance with the State CEQA Guidelines.

CUL-2: *Where a future discretionary project requiring additional CEQA review is proposed within an undisturbed site and/or a site that will require substantial earthmoving activities and/or excavation, and/or IEUA is seeking State or federal funding, IEUA shall complete a follow-on cultural resources report (Phase I Cultural Resources Investigation) regardless of whether IEUA is seeking State or federal funding.*

Where a Phase I Cultural Resources Investigation is required, the following phases of identification, evaluation, mitigation, and monitoring shall be followed for a given CBP Infrastructure facility:

1. ***Phase I (Identification):** A Phase I Investigation to identify historical, archaeological, or paleontological resources in a project site shall include the following research procedures, as appropriate:*
 - *Focused historical/archaeological resources records searches at SCCIC and/or EIC, depending on the project location, and paleontological resources records searches by NHMLAC, SBCM, and/or the Western Science Center in Hemet;*
 - *Historical background research, geoarchaeological profile analysis, and paleontological literature review;*
 - *Consultation with the State of California Native American Heritage Commission, Native American tribes in the surrounding area in accordance with AB52, pertinent local government agencies, and local historic preservation groups;*
 - *Field survey of the project area by qualified professionals of the pertinent discipline and at the appropriate level of intensity as determined on the basis of sensitivity assessment and site conditions;*
 - *Field recordation of any cultural resources encountered during the survey and proper documentation of the resources for incorporation into the appropriate inventories or databases.*
2. ***Phase II (Evaluation):** If cultural resources are encountered in a project site and cannot be avoided, a Phase II investigation shall be required to evaluate the potential significance of the resources in accordance with the statutory/regulatory framework outlined above. A typical Phase II study consists of the following research procedures:*
 - *Preparation of a research design to discuss the specific goals and objectives of the study in the context of important scientific questions that may be addressed with the findings and the significance criteria to be used for the evaluation, and to formulate the proper methodology to accomplish such goals;*
 - *In-depth exploration of historical, archaeological, or paleontological literature, archival records, as well as oral historical accounts for information pertaining to the cultural resources under evaluation;*
 - *Fieldwork to ascertain the nature and extent of the archaeological/paleontological remains or resource-sensitive sediments identified during the Phase I study, such as surface collection of artifacts, controlled excavation of units, trenches, and/or shovel test pits, and collection of soil samples;*
 - *Laboratory processing and analyses of the cultural artifacts, fossil specimens, and/or soil samples for the proper recovery, identification, recordation, and cataloguing of the materials collected during the fieldwork and to prepare the assemblage for permanent curation, if warranted.*
3. ***Phase III (Mitigation/Data Recovery):** For resources that prove to be significant under the appropriate criteria, mitigation of potential project impact is required. The first option is avoidance by selecting and implementing a CBP Infrastructure facility at an alternative site without significant cultural or paleontological resources. Depending on the characteristics of each resource type and the unique aspects of significance for each individual resource, mitigation may be accomplished through a variety of different methods, which shall be determined by a qualified archaeologist, paleontologist, historian, or other applicable professional in the "cultural resources" field. Typical mitigation for historical, archaeological, or paleontological resources, however, may focus on the following procedures, aimed mainly at the preservation of physical and/or archival data about a significant cultural resource that would be impacted by the project:*
 - *Data recovery through further excavation at an archaeological site or a paleontological locality to collect a representative sample of the identified remains, followed by laboratory processing and analysis as well as preparation for permanent curation;*

- *Comprehensive documentation of architectural and historical data about a significant building, structure, or object using methods comparable to the appropriate level of the Historic American Buildings Survey (HABS) and the Historic American Engineering Record (HAER) for permanent curation at a repository or repositories that provides access to the public;*
 - *Adjustments to project plans to minimize potential impact on the significance and integrity of the resource(s) in question.*
4. *Phase IV (Monitoring): At locations that are considered sensitive for subsurface deposits of undetected archaeological or paleontological remains, all earth-moving operations shall be monitored continuously or periodically, as warranted, by qualified professional practitioners. Archaeological monitoring programs shall be coordinated with the nearest Native American groups, who may wish to participate, as put forth in mitigation measures TCR-1 through TCR-3.*
- CUL-3:** *After each phase of the studies required by mitigation measure CUL-2 has been completed, where required, a complete report on the methods, results, and final conclusions of the research procedures shall be prepared and submitted to South Central Coastal Information Center (SCCIC), Eastern Information Center (EIC), Natural History Museum of Los Angeles County (NHMLAC), and/or San Bernardino County Museum (SBCM), as appropriate and in addition to IEUA for the project, for permanent documentation and easy references by future researchers.*
- CUL-4:** *Prior to commencement of construction of CBP Infrastructure facilities (excluding those facilities that have undergone site specific Cultural Resources Investigations, such as at RP-4), IEUA shall confer with the CBP project stakeholders to establish a programmatic agreement with SHPO that will stipulate a set of mutually accepted guidelines that address research procedures and the types of potential cultural resources that may be excluded from further consideration before CBP Infrastructure facilities are implemented, such as common infrastructure features that are more than 50 years of age, but have a low potential to be considered historically significant, such as existing roadways and minor, utilitarian structures serving as pumphouses or reservoirs, as well as numerous historic-period buildings that are adjacent to the project boundaries but are unlikely to receive any direct or indirect impact. Once this agreement has been made with SHPO, IEUA shall retain the agreement in the Project file, and shall ensure that any CBP partner agencies are given copies of the agreement for reference on future CBP Infrastructure facilities. For CBP projects that are in development prior to an agreement with SHPO, all types of cultural resources shall be considered by the professionals assessing historical resources within the project footprint; regardless, the steps provided in mitigation measure CUL-2 shall be followed to assess and minimize impacts to sensitive cultural resources within a given site.*

IEUA finds that implementation of the above measures would reduce potential impacts to unknown subsurface cultural resources to a less than significant impact level. The above measures can be implemented without causing additional adverse environmental impacts. The above measures will be integrated into the future development activities without additional impacts on the environment. Since the proposed project as analyzed above will not directly or indirectly cause significant adverse impact related to cultural, archeological, or historical resources with implementation of mitigation, the proposed project is not forecast to contribute to cumulatively considerable cultural resource impacts required to support the proposed project.

6. Energy

- a. **Would the project result in a potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources, during project construction or operations?**

Finding: Less Than Significant Impact (pg. 4-156 to 4-159, FPEIR)

Facts: Construction would involve equipment and trips that are typical for the type of facilities being constructed and would not involve excessive or unnecessary consumption of fuel. Through compliance with existing applicable regulations,

construction energy consumption associated with buildout of the CBP would not be inefficient, wasteful or unnecessary. Impacts would be less than significant.

CBP facilities would be constructed in compliance with existing regulations for building energy efficiency. In addition, the CBP includes exploration of options for new, on-site energy generation facilities in the IEUA service area, such as in-conduit hydropower facilities in locations of the potable water distribution system where energy can be produced in conjunction with reducing system pressure. Finally, investment in local water supplies that offsets the need for imported water is considered to be necessary to begin to reduce the amount of energy associated with water conveyance in the State. The 2017 Scoping Plan recognizes that about two percent of the total energy used in the State is related to water conveyance. As a result, the plan calls for, “increased water conservation and efficiency, improved coordination and management of various water supplies, greater understanding of the water-energy nexus, and deployment of new technologies in drinking water treatment, groundwater remediation and recharge, and potentially brackish and seawater desalination.” Therefore, given that the CBP would result in an overall net reduction in electricity consumption associated with local water supplies over the 25-year term of the proposed water transfer agreement and that CBP facilities would comply with existing applicable regulations, operational energy consumption associated with the CBP would not be inefficient, wasteful or unnecessary.

- b. **Would the project conflict with or obstruct a state or local plan for renewable energy or energy efficiency?**

Finding: Less Than Significant Impact (pg. 4-159 to 4-161, FPEIR)

Facts: As stated above, the CBP would not obstruct the 2017 Scoping Plan. Furthermore, the IEUA Climate Change Action Plan (CCAP) sets GHG emission reduction goals for IEUA operations, some of which are related to energy efficiency and the use of renewable energy. IEUA would also explore options for using additional on-site renewable energy, such as the use of a 2.5-MW solar array at the Inland Empire Regional Composting Facility and in-conduit hydropower facilities in locations of the potable water distribution system where energy can be produced in conjunction with reducing system pressure.

The CBP includes components that intentionally lower the power demand on the electrical grid, such as the potential inclusion of in-conduit hydropower facilities at certain locations of the potable water distribution system where energy can be produced in conjunction with reducing system pressure. Furthermore, during call-years, the CBP would offset imported water from the SWP, which would save energy and preclude SWP-related energy consumption. The CBP would also incorporate the use of available on-site renewable energy sources at RP-4, including the 1-MW wind turbine and 1.5-MW battery, to supply part of the energy demand of CBP facilities, if possible. Moreover, the CBP may use energy generated by the 2.5-MW solar array at the Inland Empire Regional Composting Facility. Therefore, the CBP would support the CCAP objective to strive for carbon neutrality through implementation of renewable power generation and beneficial use of resources. Accordingly, the CBP would not conflict with the CCAP, and thus the proposed project would not conflict with or obstruct a state or local plan for renewable energy or energy efficiency.

Cumulative growth in the Southern California Edison (SCE) service area would affect regional energy demand. SCE energy demand planning is based on future growth predictions from the General Plans of local jurisdictions. For this reason, development consistent with the applicable General Plan would also be consistent with SCE demand planning. Cumulative development within the SCE service area is not anticipated to result in a significant impact in terms of impacting energy supplies because the majority of cumulative projects would be consistent with their respective General Plans and the growth anticipated by SCE. The CBP would serve water supply needs for existing and planned water demand and would not result in or accommodate unplanned growth. Furthermore, the proposed CBP would result in a net reduction in baseline electricity consumption of approximately 116,720 MWh/year in call years, and a portion of this net reduction in electricity usage would reduce demand on regional SCE infrastructure during these call years. Therefore, the CBP, in combination with other cumulative projects, would not result in cumulatively considerable energy impacts.

Mitigation Measures

The IEUA has determined that the proposed project would have a less than significant impact as a result of the energy demanded by construction and operation of facilities associated with the CBP. No mitigation is required to minimize impacts under the issue of energy.

7. Geology/Soils

- a(i). **Would the project directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury, or death involving: (i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.**

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-171 to 4-173, FPEIR)

Facts: There are three faults delineated on the Alquist-Priolo Earthquake Fault Zoning Map within and adjacent to the Chino Basin: the Elsinore Fault Zone (Chino Fault), which crosses the western boundary of the Chino Basin; the Red Hill-Etiwanda Avenue Fault, which traverses the northern boundary of the Chino Basin; and, a segment of the Sierra Madre Fault Zone, Cucamonga Section passes through the northwestern portion of the Chino Basin. Because not all proposed CBP facility locations are determined at this time, there is the potential for projects to be constructed and operated within an Alquist-Priolo Fault Zone. Projects proposed that would be operated within these zones could expose structures to potential substantial adverse effects; therefore, mitigation is required to minimize impacts under this issue.

The implementation of MM **GEO-1** would ensure new facilities are located outside of delineated fault zones, or otherwise minimize impacts if located within a fault zone.

Ultimately, through the implementation of mitigation that would ensure that new facilities are located outside of delineated fault zones, or if located within a fault zone are analyzed thoroughly through a site-specific geotechnical report with specific design recommendations or through a second-tier CEQA evaluation, fault rupture-related impacts would be less than significant. As specific facilities are proposed in the future, the associated environmental impacts will be evaluated in a subsequent

project-specific CEQA evaluation to allow a final determination on each future project's specific impacts. Such review is appropriate and consistent with utilization of a program environmental document in accordance with CEQA Guidelines Sections 15162 and 15168.

a(ii). Would the project directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury, or death involving: (ii) Strong seismic ground shaking?

Finding: Less Than Significant Impact (pg. 4-173 to 4-175, FPEIR)

Facts: As addressed under issue a(i) above, the Chino Basin is located within a region that is seismically active. In the event of an earthquake in Southern California, some seismic ground shaking would likely be experienced in the project area sometime during the operational life of the facilities proposed as part of the CBP. Ground shaking could result in structural damage to new facilities, which in turn could affect operation of related systems. Some of the proposed facilities are non-habitable or will only require visits on an as-needed basis; however, the CBP proposes upgrades and improvements to existing facilities, and new facilities that currently or would require full time employees on-site. Therefore, structural and mechanical failure of facilities onset by seismic ground shaking could potentially threaten the safety of on-site workers.

The structural elements of proposed CBP facilities would undergo appropriate design-level geotechnical evaluations prior to final design and construction as required to comply with the CBC. The geotechnical engineer, as a registered professional with the State of California, is required to comply with the CBC and local codes while applying standard engineering practice and the appropriate standard of care required for projects in the San Bernardino and Riverside County areas. The California Professional Engineers Act (Building and Professions Code Sections 6700- 6799), and the Codes of Professional Conduct, as administered by the California Board of Professional Engineers and Land Surveyors, provides the basis for regulating and enforcing engineering practice in California. In addition, pipelines would be constructed according to industry standards using American Water Works Association (AWWA) guidelines. Compliance with these construction and building safety design standards would reduce potential impacts associated with ground shaking to a level of less than significant.

a(iii). Would the project directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury, or death involving: (iii) Seismic-related ground failure, including liquefaction?

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-176 to 4-177, FPEIR)

Facts: Given that the locations of many of the proposed CBP facilities are presently unknown, it is possible that future CBP facilities could be located within an area with a high potential for liquefaction, as liquefaction is known to occur within the Chino Basin area. CBP facilities located on or within (underground facilities, such as pipelines) soils with a moderate to high potential for liquefaction could experience damage or failure as a result of liquefaction. Therefore, mitigation is required to minimize impacts under this issue.

The implementation of MM **GEO-1** would reduce the potential impacts from liquefaction and landslide hazards through a design level geotechnical investigation with implementation of specific design recommendations.

Ultimately, through the implementation of mitigation that would ensure that CBP facilities are analyzed thoroughly through a site-specific geotechnical report with specific design recommendations, liquefaction-related impacts would be less than significant.

a(iv). Would the project directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury, or death involving: (iv) Landslides?

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-177 4-179, FPEIR)

Facts: Landslides and mudflow hazards exist throughout the Chino Basin on steep hillsides and in creek and streambed areas. Given that the locations of many of the proposed CBP facilities are presently unknown, it is possible that future CBP facilities could be located within an area with a high potential for landslide. CBP facilities located in areas that are highly susceptible to landslide could experience damage or failure as a result of liquefaction. Therefore, mitigation is required to minimize impacts under this issue.

The implementation of MM **GEO-1** would reduce the potential impacts from liquefaction and landslide hazards through a design level geotechnical investigation with implementation of specific design recommendations.

Ultimately, through the implementation of mitigation that would ensure that CBP facilities are analyzed thoroughly through a site-specific geotechnical report with specific design recommendations, landslide-related impacts would be less than significant.

b. Would the project result in substantial soil erosion or the loss of topsoil?

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-179 to 4-181, FPEIR)

Facts: Construction activities for proposed CBP facilities such as excavation and grading could result in soil erosion during rain or high wind events. Development of the proposed CBP facilities would result in construction activities that would need to comply with South Coast Air Quality Management District (SCAQMD) Rule 403 for dust control that would ensure the prevention and/or management of wind erosion and subsequent topsoil loss. Compliance with SCAQMD Rule 403 would ensure that construction activities that generate wind-induced soil erosion are below significance thresholds.

For CBP projects that would disturb less than an acre, no Storm Water Pollution Prevention Plan (SWPPP) would be required. However, in order to prevent erosion associated with runoff from construction sites for each proposed project, the implementing agency will abide by best management practices (BMPs) to ensure that the discharge of storm runoff from construction sites does not cause erosion downstream to the discharge point. The implementation of BMPs will be enforced through mitigation. Additionally, for CBP projects that are less than one acre in size, compliance with minimum BMPs, as specified by the San Bernardino County MS4

Permit (SARWQCB, 2016), shall include erosion and sediment control BMPs for the construction site. Adherence to these conditions and to mitigation identified would ensure that potential soil erosion and loss of topsoil impacts would be minimized to less than significant.

The implementation of MM **GEO-2** would ensure that the proposed facilities associated with the CBP that are less than one acre in size would not exacerbate conditions related to erosion associated with runoff from construction sites through the implementation of BMPs.

For CBP projects that would disturb an acre or more, a SWPPP—in accordance with the requirements of the statewide Construction General Permit (CGP)—would be required. The SWPPP would identify BMPs to control erosion, sedimentation, and hazardous materials potentially released from construction sites into surface waters. Compliance with the CGP, required SWPPP, and identified BMPs would ensure soil erosion and loss of topsoil impacts would be reduced to a level of less than significant.

Ultimately, through the implementation of mitigation that would ensure that BMPs are implemented for projects that would occupy less than one acre, and through compliance with the CGP, required SWPPP, and identified BMPs, the potential for the CBP to result in substantial soil erosion or the loss of topsoil would be less than significant.

- c. **Would the project be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in onsite or offsite landslide, lateral spreading, subsidence, liquefaction or collapse?**

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-181 to 4-183, FPEIR)

Facts: Subsidence is the shrinking of earth material caused by natural or artificial removal of underlying support. This process occurs in poor, unconsolidated soils and poorly compacted fills. Seismically induced groundshaking, both local and regional, and heavy rainfall are naturally induced causes of subsidence. The substantial lowering of groundwater may also result in subsidence. As identified in the CBP PEIR, a portion of the Chino Basin has experienced land subsidence related to aquifer extractions. The proposed project includes a robust discussion of subsidence within the Chino Basin under Hydrology and Water Quality (Subchapter 4.11 of the CBP DPEIR), and includes mitigation to address and minimize potential for new land subsidence from CBP implementation (MM **HYD-3** and **HYD-4**). Given that the locations of many of the proposed CBP facilities are presently unknown, it is possible that any of the future CBP facilities could be located within a site with unstable soils, which could cause the facilities to experience damage or failure as a result; furthermore, groundwater pumping facilities, such as wells, could cause aquifer system compaction and land subsidence, which is known to occur within the Chino Basin. Additionally, subsidence and collapse could damage the proposed facilities and affect the safety of on-site or visiting employees. As such, mitigation is required to minimize impacts under this issue.

The implementation of MM **GEO-1** would reduce the potential impacts related to unstable soils through a design level geotechnical investigation with implementation of specific design recommendations for future CBP projects.

Ultimately, through the implementation of mitigation that would ensure that CBP facilities are analyzed thoroughly through a site-specific geotechnical report with specific design recommendations, the potential for CBP facilities to be significantly impacted through being located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in onsite or offsite landslide, lateral spreading, subsidence, liquefaction or collapse would be less than significant.

- d. **Would the project be located on expansive soil, as defined in Table 18 1-B of the Uniform Building Code (1994), creating substantial risks to life or property?**

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-183 to 4-184, FPEIR)

Facts: When expansive soils swell, the change in volume can exert significant pressures on loads that are placed on them, such as loads resulting from structure foundations or underground utilities, and can result in structural distress and/or damage. Most of the Chino Basin is comprised of old alluvial fans and valley deposits, which vary in consistency. The specific soil properties of a site can vary on a small scale, and may include undetermined areas that exhibit expansive properties. Given that the location of many future CBP facilities are unknown, there is a potential that such facilities could be installed within a site containing expansive soils. As such, mitigation is required to minimize impacts under this issue.

The implementation of MM **GEO-1** would reduce the potential impacts related to expansive soils through a design level geotechnical investigation with implementation of specific design recommendations for future CBP projects.

Ultimately, through the implementation of mitigation that would ensure that CBP facilities are analyzed thoroughly through a site-specific geotechnical report with specific design recommendations, the potential for CBP facilities to experience a significant adverse effect from being located on expansive soil, as defined in Table 18 1-B of the Uniform Building Code (1994), creating substantial risks to life or property would be less than significant.

- e. **Would the project have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?**

Finding: No Impact (pg. 4-184 to 4-185, FPEIR)

Facts: Implementation of proposed CBP facilities would not require the use of septic systems. The majority of facilities would be upgrades to existing infrastructure, wells, pipelines, and other water conveyance facilities that do not require septic systems. There is no planned use of on-site septic systems for the proposed project facilities. Therefore, no impact would occur related to soil suitability for septic systems.

- f. **Would the project directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?**

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-185 to 4-187, FPEIR)

Facts: Previous investigations in the region have identified the presence of significant paleontological resources where construction activities extend into or below the older alluvial sediment boundary. Since the proposed project is at the programmatic level, specific locations for the many CBP facilities have not been have yet to be determined. As such, impacts to specific paleontological resources are speculative. Previously unknown and unrecorded paleontological resources may be unearthed during excavation and grading activities for individual projects, which could result in significant impacts. Therefore, mitigation will be implemented to address the potential for impacting paleontological resources.

The implementation of MM **GEO-3** would require a site-specific study to identify potentially significant paleontological resources, which would minimize potential impacts to paleontological resources.

Ultimately, through the implementation of mitigation that would require a site-specific study to identify potentially significant paleontological resources, the CBP will have a less than significant impact to unique paleontological resources or unique geologic features.

Mitigation Measures

IEUA has determined that, because the Chino Basin contains substantial geological and soils-related constraints, the proposed project could experience potentially significant impact as identified in identified in Subchapter 4.8 of the FPEIR. Mitigation measures to reduce these impacts to below a level of potential significance are provided below.

- GEO-1:** *Prior to construction of each improvement, a design-level geotechnical investigation, including collection of site-specific subsurface data if appropriate, shall be completed. The geotechnical evaluation shall identify all potential seismic hazards including fault rupture, and characterize the soil profiles, including liquefaction potential, expansive soil potential, subsidence, and landslide potential. The geotechnical investigation shall recommend site specific design criteria to mitigate for seismic and non-seismic hazards, such as special foundations and structural setbacks, and these recommendations shall be incorporated into the design of individual proposed projects. If the project specific geotechnical study cannot mitigate potential seismic related impacts, then the facility shall be relocated. If relocation is not possible a second tier CEQA evaluation shall be completed.*
- GEO-2:** *For each well development or other CBP project that is less than one acre in size requiring ground disturbing activities such as grading, IEUA shall identify and implement best management practices (BMPs, such as hay bales, wattles, detention basins, silt fences, coir rolls, etc.) to ensure that the discharge of the storm runoff from the construction site does not cause erosion downstream of the discharge point. If any substantial erosion or sedimentation occurs as a result of discharging storm water from a project construction site, any erosion or sedimentation damage shall be restored to pre-discharge conditions.*
- GEO-3:** *For project-level development involving ground disturbance, a qualified paleontologist shall be retained to determine the necessity of conducting a study of the project area(s) based on the potential sensitivity of the project site for paleontological resources. If deemed necessary, the paleontologist shall conduct a paleontological resources inventory designed to identify potentially significant resources. The paleontological resources inventory would consist of: a paleontological resource records search to be conducted at the San Bernardino County Museum and/or other appropriate facilities; a field survey or monitoring where deemed appropriate by the paleontologist; and recordation of all identified paleontological resources. Treatment of any discovered*

paleontological resources shall follow the Phasing and corresponding actions identified under MM CUL-2.

IEUA finds that implementation of the above measures would minimize geology and soils impacts to a less than significant level. The above measures can be implemented without causing additional adverse environmental impacts. The above measures will be integrated into the future development activities without additional impacts on the environment. Since the proposed project as analyzed above will not directly or indirectly cause significant adverse impact due to onsite or offsite geotechnical hazards with implementation of mitigation, the proposed project is not forecast to contribute to cumulatively considerable impacts due to geotechnical hazards to structures and facilities required to support the proposed project. Refer to the Hydrology and Water Quality discussion for additional measures that address subsidence.

8. Greenhouse Gas Emissions: Impacts under Greenhouse Gas Emissions, checklist question “a” is significant and cannot be mitigated below significance levels. The discussion of this specific issue under Greenhouse Gas Emissions is located below in Section F of this document. The checklist questions under Greenhouse Gas Emissions that can be mitigated to a level of less than significant are as follows:

b. Would the Project conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of GHGs?

Finding: Less Than Significant Impact (pg. 4-218 to 4-219, FPEIR)

Facts: The 2017 Scoping Plan focuses primarily on reducing GHG emissions that result from mobile sources, land use development, and stationary industrial sources. The CBP would not involve a considerable increase in new vehicle trips or land use changes that would result in an increase in vehicle trips, such as urban sprawl, and it does not include new stationary industrial sources of GHG emissions. The 2017 Scoping Plan also recognizes that about two percent of the total energy consumption in California is related to water conveyance. By augmenting local water supplies, the CBP would offset energy demands associated with imported water supplies in furtherance of this goal of the 2017 Scoping Plan. Therefore, the CBP would not conflict with the 2017 Scoping Plan.

The IEUA CCAP sets GHG emission reduction goals for IEUA operation. By nature, the CBP directly supports the CCAP goals to maximize recycled water production and storage and maintain the health of the groundwater aquifer as well as the associated objectives to expand recycled water infrastructure and enhance groundwater replenishment capabilities within the Chino Basin. Operation of the CBP would result in a net reduction in GHG emissions over the 25-year term of the proposed water transfer agreements. The CBP also includes components that intentionally lower the power demand on the electrical grid, such as the potential inclusion of in-conduit hydropower facilities at certain locations of the potable water distribution system where energy can be produced in conjunction with reducing system pressure. Furthermore, during call years, the CBP would offset imported water from the SWP, which would save energy and preclude SWP-related GHG emissions. The CBP would also incorporate the use of available existing IEUA operated renewable energy sources, if possible. Therefore, the CBP would also support the CCAP objective to strive for carbon neutrality through implementation of renewable power generation and beneficial use of resources. Accordingly, the CBP would not conflict with the CCAP, and thus, the CBP would have a less than

significant potential to conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of GHGs.

Additionally, impacts related to GHG emissions are, by definition, cumulative impacts because they affect the worldwide accumulation of GHGs in the atmosphere. Because the effects of climate change are currently occurring, the cumulative worldwide and statewide effects of GHG emissions are significant. The CBP would be consistent with many of the goals of applicable State and local plans and programs, which are designed to reduce the cumulative impact of GHG emissions. Therefore, the contribution of the CBP to cumulative impacts related to consistency with applicable plan, policy or regulation adopted for the purpose of reducing the GHG emissions would not be cumulatively considerable.

9. Hazards and Hazardous Materials

- a. **Would the project create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?**

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-234 to 4-238, FPEIR)

Facts: Installation of CBP facilities can require delivery of hazardous materials (such as petroleum products) to support their installation. Long-term operation of some CBP facilities can require small quantities of hazardous materials, but typically only minimal quantities to keep equipment operating safely and efficiently. The anticipated construction activities required to develop CBP facilities will temporarily require the transport, use, and disposal of hazardous materials including gasoline, diesel fuel, hydraulic fluids, paint, and other similarly related materials. Operational activities could require the modest quantities of hazardous materials, such as chemicals like chlorine (commonly in the form of sodium hypochlorite) to treat recycled water or potable water sources prior to distribution. The FPEIR identified several measures that would ensure that the use and generation of hazardous substances in support of CBP projects does not pose a significant hazard to workers, adjacent land uses and the environment.

Several mitigation measures were identified to minimize hazards and hazardous materials impacts including those that would: ensure that applicable CBP facilities Hazardous Material's Business Plan (HMBP) incorporate best management practices designed to minimize the potential for accidental release of such chemicals; ensure that applicable CBP facilities HMBP identify the equipment and response capabilities required to provide immediate containment, control and collection of any released material (**HAZ-1 & HAZ-2**); ensure sensitive receptors will not be exposed to significant health threat by modeling the pathways of release and implementing specific measures that would minimize potential exposure to acutely hazardous materials (**HAZ-3**); ensure hazardous materials are disposed of and delivered to licensed facilities (**HAZ-4**); and, ensure the establishment of and adherence to specific thresholds of acceptable clean-up of hazardous materials (**HAZ-5**).

Ultimately, through the implementation of substantive mitigation measures to minimize the potential for the CBP to create a significant hazard to the public or the

environment through the routine transport, use, or disposal of hazardous materials, the CBP would have a less than significant impact under this issue.

- b. **Would the project create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?**

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-238 to 4-241, FPEIR)

Facts: Both during construction and at specific facilities, such as water treatment facilities, a potential exists for accidental release of hazardous materials. Accidental releases of hazardous materials during construction or operations are readily controlled to a less than significant level of hazard through control or remediation of the material accidentally released. Because the construction equipment can contain enough petroleum products to damage the environment or expose people to hazardous emissions, the Agency requires compliance with Best Management Practices to manage clean-up of potential spills of hazardous materials during construction. This includes the Cal/OSHA regulations provide for the proper labeling, storage, and handling of hazardous materials to reduce the potential harmful health effects that could result from worker exposure to hazardous materials. IEUA would be required to comply with all relevant and applicable federal, state and local laws and regulations that pertain to the accidental release of hazardous materials during construction of proposed facilities—such as Health and Safety Code, Section 2550 et seq.—which can reduce potential impacts to the public or the environment regarding accidental release of hazardous materials to less than significant impact. A contingency mitigation measure is provided to ensure accidental releases and any related contamination do not significantly affect the environment at facility locations (MM **HAZ-6**).

Operation of the proposed facilities could include the storage and use of chemicals. Any storage tanks would be designed in accordance with the applicable hazardous materials storage regulations for long-term use summarized in the Regulatory Framework. The delivery and disposal of chemicals to and from water and wastewater treatment facility sites would occur in full accordance with all applicable federal, state, and local regulations. Compliance with all applicable federal, state and local regulations regarding the handling, storage, transportation, and disposal of hazardous materials, and preparation and implementation of the HMBP would reduce potential impacts to the public, employees, or the environment related to the transport, use, or disposal of hazardous materials to a less than significant impact.

Mitigation measure **HAZ-8** was identified to minimize releases and to ensure remediation of an accidental spill or discharge of hazardous material in compliance with state and local regulations. Furthermore, an HMBP must be prepared per MMs **HAZ-1** and **HAZ-2** and implemented for the proposed facility upgrades as required by the County of San Bernardino CUPA. The HMBP would minimize hazards to human health and the environment from fires, explosions, or an accidental release of hazardous materials into air, soil, surface water, or groundwater.

Ultimately, through the implementation of mitigation to minimize the potential for the CBP to create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of

hazardous materials into the environment, the CBP would have a less than significant impact under this issue.

- c. **Would the project emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?**

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-241 to 4-244, FPEIR)

Facts: Due to the potentially extensive nature of facilities associated with implementing the CBP, it is possible that construction of proposed facilities would occur within one-quarter mile of a school. Construction activities would use limited quantities of hazardous materials, such as gasoline and diesel fuel. IEUA is required to comply with all relevant and applicable federal, State and local laws and regulations that pertain to the release of hazardous materials during construction of proposed facilities; this and compliance with all applicable federal, State, and local regulations and MMs **HAZ-1** through **HAZ-6** would reduce potential impacts to the public or the environment regarding hazardous waste discharges or emissions within one-quarter mile of a school during construction. Impacts would be less than significant with implementation of mitigation.

Operation of proposed CBP facilities may also occur within one quarter mile of a school. As stated above under issue “b,” the facilities proposed as part of the CBP may handle hazardous materials to serve water treatment operations. The established handling protocols would ensure that no significant operational impacts would occur as a result of CBP facility operations.

- d. **Would the project be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?**

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-244 to 4-247, FPEIR)

Facts: During construction of individual CBP facilities, it is possible that contaminated soil and/or groundwater could be encountered during excavation, thereby posing a health threat to construction workers, the public, and the environment. Within the Chino Basin the contaminated locations can be divided into two categories. First, there are known surface contaminated sites of which there are more than 100 locations and which are generally limited in area. Second, there are larger legacy contamination sites that have caused extensive groundwater contamination plumes, such as the GE Flatiron plume. Therefore, mitigation will be implemented to prevent future site-specific conflicts or impacts between CBP facilities and such sites.

The implementation of MMs **HAZ-7** and **HAZ-8** would require site-specific studies to identify known hazardous materials risks or the potential for risk related to hazardous materials. These studies would identify recommendations and cleanup measures to reduce risk to the public and the environment from development on hazardous materials sites. Implementation of MMs **HAZ-7** and **HAZ-8** would reduce potential impacts to construction workers and the public from exposure to unknown affected soils.

The groundwater Basin itself has a potential to experience impacts from surficial or groundwater hazards within the Basin, these impacts are assessed on a continuous

basis as a result of ongoing monitoring and remediation efforts. Ultimately, the groundwater quality impacts from implementing the CBP is an issue of paramount importance within the Basin, and infrastructure projects such as the CBP within the Basin must ensure that movement of the contamination plumes is contained to minimize contamination of groundwater at wells located in proximity, but outside these plumes. The analysis contained in Subchapter 4.11, Hydrology and Water Quality, determined that the proposed CBP would not result in significant movement of the groundwater plumes within the Basin. However, MM **HYD-7** addresses the plan of response by Watermaster and the IEUA should the Basin conditions come to vary from the projections that have been modeled as part of the CBP planning. If Watermaster determines that the CBP operations may result in significant impacts to the movement of the plumes, Watermaster will require that the IEUA implement mitigation (enforced through MM **HYD-7**) to reduce their impacts to less than significant levels. Therefore, impacts to the public or the environment related to hazardous materials sites would be less than significant.

- e. **Would the project, for a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?**

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-247 to 4-250, FPEIR)

Facts: The following three airports are located within the Chino Basin boundaries: Chino Airport, LA/Ontario International Airport, and Cable Airport in Upland. There are no private airstrips located within the Chino Basin. Most proposed facility locations have not yet been determined, and therefore, have the potential to be within an airport land use plan, which in turn could result in a safety hazard to airport flight patterns, light, or navigation resulting in a significant impact. If a location within a safety zone is required compliance with mitigation can reduce potential environmental impacts to a less than significant level.

The implementation of MM **HAZ-9** would ensure compliance with the appropriate airport land use plan and coordination with the appropriate airport management agencies to ensure safety for people residing or working within the project area. Implementation of MM **HAZ-9** would reduce potential impacts from development within an airport safety zone to a less than significant impact.

- f. **Would the project impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?**

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-250 to 4-252, FPEIR)

Facts: Major evacuation routes are located within the Chino Basin along major interstates, freeways and major north-south and east-west roads. The proposed project activities and facilities have no potential to permanently impact emergency evacuation plans or emergency response plans over the long-term. In the short-term, construction activities related to pipeline and other infrastructure system improvements located within existing road rights-of-way have a potential to interfere with such plans. Mitigation measures **TRAN-1** and **WF-1** would be required to minimize impacts related to emergency access during construction. Operation of the proposed facilities would not impair or physically interfere with an adopted

emergency response plan or emergency evacuation plan. Maintenance activities would require minimal trips and would not significantly impact the surrounding roadways.

The implementation of MMs **TRAN-1** and **WF-1**, identified under Subchapters 4.18 and 4.21, respectively, would require the preparation of a Transportation Management Plan with comprehensive strategies to reduce potential disruption to emergency evacuation or an emergency response plan. Therefore, potential significant impacts to emergency access and evacuation would be reduced to a less than significant level.

- g. Would the project expose people or structures, either directly or indirectly, to a significant risk of loss, injury or death involving wildland fires?**

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-252 to 4-254, FPEIR)

Facts: The highly urbanized portion of the Chino Basin has been designated by CAL FIRE as outside of the very high FHSZ. This is shown on the attached wildland FHSZ maps. Almost all “high” or “severe” wildland FHSZs are located on the edges of the Chino Basin, or adjacent to isolated hills (Jurupa Hills) that interrupt the slope of the Chino Basin alluvial fan. The proposed CBP facilities would generally not expose people or structures to a significant risk of loss, injury or death involving wildland fires. The use of spark-producing construction machinery within a fire risk area could create hazardous fire conditions and expose people or structures to wildfire risks. If CBP facilities must be installed within high or severe fire hazard areas, a potential exists to cause a significant wildfire hazard; therefore, MM **WF-2** is required to address this circumstance and reduce the impact to a less than significant level.

During operation, the proposed facilities would distribute recycled, imported, and treated water throughout the project area, and these facilities would not be constructed of flammable materials or involve any spark-producing activities. However, many of the ancillary facilities will be supplied and operate on electricity. Therefore, MM **WF-2** must be implemented to minimize fire hazards at proposed CBP facilities in high and very high fire severity zones.

The implementation of MM **WF-2** would require the preparation of a fire management plan/fuel modification plan for CBP infrastructure proposed within very high FHSZs, and it would identify comprehensive strategies to reduce fire potential during construction and over long-term operation. Therefore, potential significant impacts due to installation of proposed CBP infrastructure would be reduced to less than significant level with implementation of MM **WF-2**.

Mitigation Measures

IEUA has determined that the proposed project could create significant health hazards or exposure to such hazards from construction and occupancy of the future CBP facilities. Mitigation measures to reduce this impact to below a level of potential significance are provided below.

HAZ-1: *For CBP facilities that handle hazardous materials or generate hazardous waste, the Hazardous Materials Business Plan prepared and submitted to the Certified Unified Program Agency shall incorporate best management practices designed to minimize the potential for accidental release of such chemicals and shall meet the standards required by California law for Hazardous Materials*

Business Plans. *The facility managers shall implement these measures to reduce the potential for accidental releases of hazardous materials or wastes. The Hazardous Materials Business Plan shall be approved prior to operation of the given facility.*

- HAZ-2:** *The Hazardous Materials Business Plan shall assess the potential accidental release scenarios and identify the equipment and response capabilities required to provide immediate containment, control, and collection of any released hazardous material. Prior to issuance of the certificate of occupancy, each facility shall ensure that necessary equipment has been installed and training of personnel has occurred to obtain sufficient resources to control and prevent the spread of any accidentally released hazardous or toxic materials.*
- HAZ-3:** *Prior to occupancy of any site for which storage of any acutely hazardous material will be required, such as chlorine gas, modeling of pathways of release and potential exposure of the public to any released hazardous material shall be completed and specific measures, such as secondary containment, shall be implemented to ensure that sensitive receptors will not be exposed to significant health threats based on the toxic substance involved.*
- HAZ-4:** *All hazardous materials during both operation and construction of CBP facilities shall be delivered to a licensed treatment, disposal, or recycling facility and be disposed of in accordance with State and federal law.*
- HAZ-5:** *Before determining that an area contaminated as a result of an accidental release during project operation or construction is fully remediated, specific thresholds of acceptable clean-up shall be established and sufficient samples shall be taken and tested within the contaminated area to verify that these clean-up thresholds have been met in compliance with State and federal law.*
- HAZ-6:** *All accidental spills or discharge of hazardous material during construction activities shall be reported to the Certified Unified Program Agency and shall be remediated in compliance with applicable federal, State, and local regulations regarding cleanup and disposal of the contaminant released. The contaminated waste shall be collected and disposed of at a licensed disposal or treatment facility. This measure shall be incorporated into the Stormwater Pollution Prevention Plan (SWPPP) prepared for each future facility developed under the CBP. Prior to accepting the site as remediated, the area contaminated shall be tested to verify that any residual concentrations meet the standard for future residential or public use of the site.*
- HAZ-7:** *Prior to final site selection for future CBP facilities, IEUA shall obtain a Phase I Environmental Site Assessment (ESA) for the selected site. If a site contains contamination, the agency shall either avoid the site by selecting an alternative location or shall remove any contamination at the site (remediate) to a level of concentration that eliminates hazard to employees working at the site and that will not conflict with the installation and future operation of the facility. For sites located on agricultural land, this can include soil contaminated with unacceptable concentrations of pesticides or herbicides that shall be remediated through removal or blending to reduce concentrations below thresholds of significance established for the particular pesticide or herbicide in compliance with State and federal law.*
- HAZ-8:** *Should an unknown contaminated site be encountered during construction of CBP facilities, all work in the immediate area shall cease; the type of contamination and its extent shall be determined; and the local Certified Unified Program Agency or other regulatory agencies (such as the DTSC or Regional Board) shall be notified. Based on investigations of the contamination, the site may be closed and avoided or the contaminant(s) shall be remediated to a threshold acceptable to the Certified Unified Program Agency or other regulatory agency threshold and any contaminated soil or other material shall be delivered to an authorized treatment or disposal site.*
- HAZ-9:** *Prior to finalizing site selection of a CBP facility within an airport safety zone, input from the affected airport management entity shall be solicited. For projects within airport safety zones, facility design shall follow the guidelines of the appropriate airport land use compatibility plan. If a potential conflict with an airport land use compatibility plan is identified, IEUA shall relocate the facility outside the area of conflict, or if the site is deemed essential, IEUA shall propose an alternative design that reduces any conflict to a less than significant level of conflict. As an example, a pump station or reservoir could be installed below ground instead of above ground.*

HYD-7: *Watermaster shall periodically review current and projected Basin conditions and shall compare this information to the projected Basin conditions assumed in the evaluation of the CBP Storage and Recovery Program application process, compare the projected CBP operations to actual operations. Watermaster shall then make findings regarding the efficacy of the mitigation program and requirements required herein and by the CBP storage agreement. Based on Watermaster's review and subsequent findings, where applicable, Watermaster shall require changes and/or modifications in the CBP storage agreement that will adequately mitigate MPI and related adverse impacts including but not limited to pumping sustainability, net recharge and safe yield, subsidence, hydraulic control, and groundwater quality.*

TRAN-1 *Prepare and Implement Construction Transportation Management Plan*
A construction Transportation Management Plan (TMP) shall be developed and implemented by IEUA in coordination with the respective jurisdictions, SBCTA, and/or other relevant parties during construction of the proposed project. The TMP shall conform to Caltrans' Transportation Management Plan Guidelines and shall include but is not limited to:

Construction Traffic Routes and Staging Locations: *The TMP shall identify construction staging site locations and potential road closures, alternate routes for detours, and planned truck routes for construction-related vehicle trips, including but not limited to haul trucks, material delivery trucks, and equipment delivery trucks. It shall also identify alternative safe routes and policies to maintain safety along bicycle and pedestrian routes during construction. Construction vehicle routes shall avoid local residential streets and avoid peak morning and evening commute hours to the maximum extent practicable. Staging locations, alternate detour routes, and construction vehicle routes shall avoid other active construction projects within 0.25 mile of the project construction sites to the maximum extent practicable.*

Damage Repair: *The TMP shall include the following requirements to minimize damage to the existing roadway network:*

- *A list of precautionary measures to protect the existing roadway network, including but not limited to pavements, curbs, gutters, sidewalks, and drainage structures, shall be outlined. The construction contractor(s) shall be required to implement these measures throughout the duration of construction of the water conveyance pipelines.*
- *The roadway network along the proposed water distribution alignment(s) shall be surveyed prior to the start of project construction activities, and existing roadway conditions shall be summarized in a brief report.*
- *Any damage to the roadway network that occurs as a result of project construction activities shall be noted, and IEUA or its contractors shall repair all damage.*

Coordination with Emergency Services: *The TMP shall include requirements to notify local emergency response providers, including relevant police and sheriff departments, ambulance services, and paramedic services at least one week prior to the start of work within public rights-of-way if lane and/or road closures are required. To the extent practicable, the duration of disruptions/closures to roadways and critical access points for emergency services shall be minimized.*

Coordination with Active Transportation Facilities: *The TMP shall require coordination with owners/operators of any affected active transportation facilities to minimize the duration of disruptions/closures to bike paths, pedestrian trails, and adjacent access points.*

Coordination with SBCTA: *If the proposed project affects access to existing transit stops, the TMP shall also include temporary, alternative transit stops and directional signage, as determined in coordination with SBCTA and Metrolink.*

Coordination with Caltrans: *If the proposed project requires lane and/or road closures of State highways or State highway ramps, the TMP shall require coordination with Caltrans to ensure the TMP conforms with Caltrans' Transportation Management Plan Guidelines.*

Coordination with Nearby Construction Sites: *The TMP shall identify all active construction projects within 0.25 mile of project construction sites and require coordination with the applicants and/or contractors of these projects during all phases of construction regarding the following:*

- *All temporary lane and/or roadway closures shall be coordinated to limit overlap of roadway closures*

- *All major deliveries and haul truck trips shall be coordinated to limit the occurrence of simultaneous deliveries and haul truck trips*
- *IEUA, its contractor(s), or its representative(s) shall meet on a regular basis with the applicant(s), contractor(s) or their representative(s) of active construction projects within 0.25 mile of the project construction sites during construction to address any outstanding issues related to construction vehicles.*

Transportation Control and Safety: *The TMP shall provide for roadway vehicle control measures including flag persons, warning signs, lights, barricades, cones, and/or detour routes to provide safe passage of vehicular, bicycle, and pedestrian circulation and access by emergency responders.*

Plan Approval: *The TMP shall be submitted to SBCTA and the respective city community development departments for review and approval.*

WF-1: *Prior to initiating construction of proposed facilities within public rights-of-way (ROW), IEUA shall prepare and implement a Traffic Control Plan that contains comprehensive strategies for maintaining emergency access during construction. Strategies shall include, but are not limited to, maintaining steel trench plates at the construction sites to restore access across open trenches, flag persons and related assets to manage the flow of traffic, and identification of alternate routing around construction zones, where necessary. In addition, police, fire, and other emergency service providers (local agencies, Caltrans, and other service providers) shall be notified of the timing, location, and duration of the construction activities and the location of detours and lane closures. IEUA shall ensure that the Traffic Control Plan and other construction activities are consistent with the San Bernardino County Operational Area Emergency Response Plan, and are reviewed and approved by the local agency with authority over construction within the public ROW.*

WF-2: *Prior to construction of facilities located in areas designated as High or Very High Fire Hazard Severity Zones (FHSZs) by CAL FIRE, fire hazard reduction measures shall be incorporated into a fire management plan/fuel modification plan for the proposed facility, and shall be implemented during construction and over the long-term for protection of the site. These measures shall address all staging areas, welding areas, or areas slated for development that are planned to use spark-producing equipment. These areas shall be cleared of dried vegetation or other material that could ignite. Any construction equipment that can include a spark arrestor shall be equipped with a spark arrestor in good working order. During the construction of the project facilities, all vehicles and crews working at the project site shall have access to functional fire extinguishers and related fire prevention equipment (such as emergency sand bags, etc.) at all times. In addition, construction crews shall have a spotter during welding activities to look out for potentially dangerous situations, including accidental sparks. This plan shall be reviewed by the IEUA and provided to CAL FIRE for review and comment, where appropriate, and approved prior to construction within high and very high FHSZs and implemented once approved. The fire management plan shall also include sufficient defensible space or other measures at a facility site located in a high or very high FHSZ to minimize fire exposure and damage to a level acceptable to the IEUA over the long-term.*

IEUA finds that implementation of the above measures would minimize hazards and hazardous materials impacts to a less than significant level. The above measures can be implemented without causing additional adverse environmental impacts. Though the CBP would have a potential to result in some adverse hazard or hazardous material impacts as a result of implementing the project, specific mitigation measures have been identified to reduce potential project specific and cumulative (direct and indirect) effects to a less than significant impact level for hazards and hazardous material issues. Thus, the project is not forecast to cause any unavoidable significant adverse hazards or hazardous material impacts.

8. Hydrology and Water Quality

- a.** **Would the project violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or groundwater quality?**

Finding: **Less Than Significant With Mitigation Incorporated (pg. 4-279 to 4-282, 4-289 to 4-294, FPEIR)**

Facts: Some of the source water for the CBP is anticipated to be recycled water that is currently discharged to the Santa Ana River or its tributaries. The CBP discharge scenario reduces wastewater discharges to the Santa Ana River by about 16,000 AFY compared to the baseline discharge scenario throughout the program period (the 25-year period of 2029 through 2053). An additional 1,000 AFY is necessary to facilitate the CBP, which is assumed to come from reduced demand of wastewater for direct use.

The results indicated that the diversions of wastewater for the CBP will, in most years, result in higher TDS concentrations in the SAR at below Prado Dam, potentially causing a violation of the Reach 3 TDS objective. The significance of the CBP's projected increase of the Reach 3 TDS concentration of about 32 mg/l depends on the background TDS conditions in Reach 3 of the SAR. The Santa Ana Watershed Project Authority's annual monitoring data indicates that the Reach 3 TDS was violated in three of the past four reported years (2017, 2018, and 2020; the 2021 report is expected in mid-2022). Prior studies have shown that the IEUA's wastewater discharges dilute the higher-TDS base flow in Reach 3. As of this writing, there have been no actions or changes to the wasteload allocations to address these exceedances. Furthermore, the predictive scenarios in the 2017 Wasteload Allocation Model indicate that violations of the Reach 3 TDS objective are not expected to occur under the "maximum likely" wastewater discharge conditions but would occur under the "most likely" and "minimum expected" wastewater discharge conditions. None of these scenarios include the CBP. Given the recent and projected exceedances of the Reach 3 TDS objective without the CBP, it is unlikely that the CBP will be the sole cause of an exceedance of the Reach 3 TDS objective. IEUA will continue to ensure that it meets its future discharge requirements and wasteload allocations when conducting the CBP.

Based on the assumptions incorporated into the CBP diversion scenarios (e.g., expected value hydrology, upstream wastewater discharges), the reductions in SAR discharge at below Prado Dam will not cause a violation of the base flow obligation at Prado. Thus, the proposed project would not violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface quality.

The impacts of the CBP on water quality are projected to be less than significant. However, MM **HYD-7** addresses the plan of response by the Watermaster and the IEUA should the Basin conditions come to vary from the projections that have been modeled as part of the CBP planning. This measure would enable the Watermaster to modify previously agreed upon mitigation measures to address actual Basin conditions and apply these measures to the CBP allowing for flexibility in how the Watermaster approaches minimizing the groundwater issues outlined herein to below significance levels. Furthermore, as part of the Watermaster's review of the IEUA's Storage and Recovery Program application for the CBP, the effects of the CBP operations on the movement of major contaminant plumes in the Chino Basin will be re-assessed. If the Watermaster determines that the CBP operations may result in significant impacts to the movement of the plumes, the Watermaster will require the IEUA to implement mitigation (enforced through MM **HYD-7**) to reduce their impacts to less than significant levels.

- b. **Would the project substantially decrease groundwater supplies or interfere substantially with groundwater recharge such the project may impede sustainable groundwater management of the basin?**

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-196 to 4-201, FPEIR)

Facts: The groundwater level impacts are spatially varying, and they are embedded in the impact assessment for new land subsidence and pumping sustainability.

The CBP scenarios analyzed are projected to cause changes in storage and net recharge throughout the program period. The early call scenarios are projected to cause an increase in net recharge, and the late call scenarios are projected to cause a decrease in net recharge. As mentioned earlier, one way to mitigate the induced reduction in net recharge due to the late call scenarios is to reduce the takes by the amount of reduced net recharge. Not addressing the induced reduction in net recharge due to the late call scenarios will reduce the Safe Yield allocated to the Appropriative Pool parties, cause overdraft, or both, and will increase the risk of pumping sustainability challenges.

No CBP scenarios are projected to affect the direction or speed of the VOC plumes in the Chino Basin. The modeled travel times of the injected water in the CBP are projected to meet the Title 22 requirements for the recharge of treated wastewater.

The Watermaster will periodically review current and projected Basin conditions, compare this information to the projected Basin conditions assumed in the evaluation of the IEUA's Storage and Recovery Program application for the CBP, and compare the projected CBP operations to actual CBP operations. The Watermaster will then make findings regarding the efficacy of the mitigation program and requirements included herein and by the CBP storage agreements. Based on the Watermaster's review and subsequent findings, where applicable, the Watermaster will then require changes and/or modifications in the CBP storage agreements that would adequately mitigate MPI and related adverse impacts.

Based on this information, the CBP would not substantially decrease groundwater supplies or interfere substantially with groundwater recharge and will not impede sustainable management of the Basin. Impacts would be less than significant following implementation of MMs **HYD-1** through **HYD-7**.

Pumping Sustainability

MMs **HYD-1** and **HYD-2** address impacts of the CBP related to pumping sustainability in the Chino Basin; these measures would ensure that Watermaster gathers the appropriate data to (1) determine whether the CBP operations would result in loss of pumping sustainability, and (2) respond with appropriate mitigation to minimize the potential loss of pumping sustainability that may occur from CBP operations. These measures would enable the IEUA and Watermaster to prevent adverse impacts related to pumping sustainability that may result from implementation the CBP.

Subsidence

MMs **HYD-3** and **HYD-4** address potential new subsidence within the Chino Basin; these measures would ensure that the Watermaster gathers the appropriate data to

respond (1) determine whether the CBP operations would result in new subsidence, and (2) respond with appropriate mitigation to minimize the potential for new subsidence that may occur from the CBP operations. These measures would enable the IEUA and Watermaster to prevent adverse impacts related to new subsidence that may result from implementation of the CBP.

Net Recharge and Safe Yield

MMs **HYD-5** and **HYD-6** address potential reduction in net recharge and impacts to Safe Yield within the Chino Basin due to the CBP; these measures would ensure that the Watermaster gathers the appropriate data to (1) determine whether the CBP operations would result in potential reduction in net recharge and impacts to Safe Yield, and (2) respond with appropriate mitigation to minimize the potential for a reduction in net recharge and for impacts to Safe Yield that may occur from the CBP operations. These measures would enable the IEUA and Watermaster to prevent adverse impacts related to potential reduction in net recharge and impacts to Safe Yield that may result from implementation of the CBP.

Hydraulic Control

The projected impacts of the CBP on Hydraulic Control are projected to be less than significant. However, MM **HYD-7** addresses the plan of response by Watermaster and the IEUA should the Basin conditions come to vary from the projections that have been modeled as part of the CBP planning. This measure would enable the Watermaster to modify previously agreed upon mitigation measures to address actual Basin conditions and apply these measures to the CBP allowing for flexibility in how the Watermaster approaches minimizing the groundwater issues outlined herein to below significance levels. Furthermore, as part of the Watermaster's review of the IEUA's Storage and Recovery Program application for the CBP, the effects of the CBP operations on the state of Hydraulic Control will be re-assessed. If Watermaster determines that the CBP operations may result in significant impacts to Hydraulic Control, the Watermaster will require that the IEUA implement mitigation (enforced through MM **HYD-7**) to reduce their impacts to less than significant levels.

Water Quality

The impacts of the CBP on water quality are projected to be less than significant. However, MM **HYD-7** addresses the plan of response by the Watermaster and the IEUA should the Basin conditions come to vary from the projections that have been modeled as part of the CBP planning. This measure would enable the Watermaster to modify previously agreed upon mitigation measures to address actual Basin conditions and apply these measures to the CBP allowing for flexibility in how the Watermaster approaches minimizing the groundwater issues outlined herein to below significance levels. Furthermore, as part of the Watermaster's review of the IEUA's Storage and Recovery Program application for the CBP, the effects of the CBP operations on the movement of major contaminant plumes in the Chino Basin will be re-assessed. If the Watermaster determines that the CBP operations may result in significant impacts to the movement of the plumes, the Watermaster will require the IEUA to implement mitigation (enforced through MM **HYD-7**) to reduce their impacts to less than significant levels.

General Impacts to Groundwater from CBP Implementation

As previously stated, MM **HYD-7** addresses the plan of response by the Watermaster and the IEUA should the Basin conditions come to vary from the

projections that have been modeled as part of the CBP planning. This measure would enable the Watermaster to modify previously agreed upon mitigation measures to address actual Basin conditions and apply these measures to the CBP. This allows for flexibility in how the Watermaster approaches minimizing the groundwater issues outlined herein to below significance levels.

The PEIR acknowledges that monitoring is not mitigation in and of itself, but it is essential to the Watermaster's mitigation process because it identifies the potential for a potential significant impact (MPI) that could evolve. Data indicating that a significant impact may be evolving will allow the Watermaster to initiate any of the mitigation measures outlined above that can reduce or eliminate the potential impact identified through monitoring through adaptive management. Based on this information, the project does not substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin.

- c(i). Would the project substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would: (i) result in substantial erosion or siltation onsite or offsite?**

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-295 to 4-299, FPEIR)

Facts: The majority of the proposed facilities would not alter the course of a stream or river; though the installation of some monitoring devices would be placed within surface water, these devices would not substantially impact the course of a stream or river due to their small size. The construction of proposed facilities would require activities that would temporarily alter each project site's existing ground surface and drainage patterns. Compliance with the CGP, SWPPP, County MS4 Permits, and BMPs enforced through mitigation provided below would minimize all construction impacts to less than significant levels. The presence of all new facilities at each project site could change permeable and impermeable surfaces and alter the direction and volume of overland flows. As such, mitigation is required.

MM **HYD-8** would require implementation of BMPs for projects of less than one acre in size that would be comparable to the requirements of the CGP and SWPPP, which are required for larger projects.

During project design, overland flows and drainage at each CBP project site would be assessed and drainage facilities would be designed such that no net increase in runoff would occur, in accordance with the Riverside and San Bernardino County MS4 Permits. As required by MM **HYD-9**, either surface runoff shall be collected and retained or a grading and drainage plan would be developed during project design and implemented to ensure no increase in offsite discharges would occur and no substantial increase in erosion or sedimentation would occur. Impacts would be less than significant with mitigation.

MM **HYD-10** would require CBP projects at existing well sites to remain within disturbed areas wherever feasible to minimize the potential for further ground disturbance at these sites, which may result in substantial siltation or erosion. MM **HYD-11** would require all disturbed areas that are not covered in hardscape or

vegetation would be revegetated or landscaped at future CBP facility sites to minimize the potential for erosion on- or off-site to an insignificant level.

The mitigation measures addressed above are required to address potential impacts related to onsite drainage at future CBP facilities. Ultimately, with implementation of these mitigation measures, the CBP would have a less than significant potential to result in substantial erosion or siltation onsite or offsite.

- c(ii). **Would the project substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would: (ii) substantially increase the rate or amount of surface runoff in a manner which would result in flooding onsite or offsite?**

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-299 to 4-302, FPEIR)

Facts: The construction of proposed facilities would require activities that would temporarily alter each project site's existing ground surface and drainage patterns. Compliance with the CGP, SWPPP, County MS4 Permits, and BMPs enforced through mitigation provided below would minimize all construction impacts to less than significant levels. The presence of all new facilities at each project site could change permeable and impermeable surfaces and alter the direction and volume of overland flows. As such, mitigation is required to address the increased potential for flooding on- or off-site.

MM **HYD-8** would require implementation of BMPs for projects of less than one acre in size that would be comparable to the requirements of the CGP and SWPPP, which are required for larger projects. This measure would control urban runoff and thereby reduce potential on- and off-site flooding.

During project design, overland flows and drainage at each CBP project site would be assessed and drainage facilities would be designed such that no net increase in runoff would occur, in accordance with the Riverside and San Bernardino County MS4 Permits. As required by MM **HYD-9**, either surface runoff shall be collected and retained or a grading and drainage plan would be developed during project design and implemented to ensure no increase in offsite discharges would occur and no substantial increased potential on- or off-site flooding would occur. Impacts would be less than significant with mitigation.

MM **HYD-10** would require CBP projects at existing well sites to remain within disturbed areas wherever feasible to minimize the potential for further ground disturbance at these sites, which may result in on- or off-site flooding. MM **HYD-11** would require all disturbed areas that are not covered in hardscape or vegetation would be revegetated or landscaped at future CBP facility sites to minimize the potential for on- or off-site flooding to an insignificant level.

The mitigation measures addressed above are required to address potential impacts related to onsite drainage at future CBP facilities. Ultimately, with implementation of these mitigation measures, the CBP would have a less than significant potential to substantially increase the rate or amount of surface runoff in a manner which would result in flooding onsite or offsite.

- c(iii). **Would the project substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would: (iii) create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?**

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-302 to 4-304, FPEIR)

Facts: The construction of proposed facilities would require activities that would temporarily alter each project site's existing ground surface and drainage patterns, which could result in excess runoff. Compliance with the CGP, SWPPP, County MS4 Permits, and BMPs enforced through mitigation provided below would minimize all construction impacts to less than significant levels.

The presence of all new facilities at each project site could change permeable and impermeable surfaces and alter the direction and volume of overland flows. As such, mitigation to address implementation of a drainage management plan or otherwise retain runoff onsite for each project is required to reduce potential for CBP facilities to create or contribute runoff that would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff.

MM **HYD-8** would require implementation of BMPs for projects of less than one acre in size that would be comparable to the requirements of the CGP and SWPPP, which are required for larger projects. This measure would control urban runoff and thereby reduce potential for substantial polluted runoff.

During project design, overland flows and drainage at each CBP project site would be assessed and drainage facilities would be designed such that no net increase in runoff would occur, in accordance with the Riverside and San Bernardino County MS4 Permits. As required by MM **HYD-9**, either surface runoff shall be collected and retained or a grading and drainage plan would be developed during project design and implemented to ensure no increase in offsite discharges would occur and no substantial contribution of runoff to area drainage systems would occur. Impacts would be less than significant with mitigation.

MM **HYD-12** is provided to ensure that brine generated by water treatment systems would be disposed of in a manner that would minimize the potential for release of polluted runoff.

The mitigation measures addressed above are required to address potential impacts related to onsite drainage at future CBP facilities. Ultimately, with implementation of these mitigation measures, the CBP would have a less than significant potential to create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff.

- c(iv). **Would the project substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would: (iv) impede or redirect flood flows?**

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-304 to 4-307, FPEIR)

Facts: The construction of proposed facilities would require activities that would temporarily alter each project site's existing ground surface and drainage patterns, which could result in impeding or redirecting flood flows. Compliance with the CGP, SWPPP, County MS4 Permits, and BMPs enforced through mitigation provided below would minimize all construction impacts to less than significant levels.

The presence of all new facilities at each project site could change permeable and impermeable surfaces and alter the direction and volume of overland flows. As such, mitigation to address implementation of a drainage management plan or otherwise retain runoff onsite for each project is required to reduce potential for CBP facilities to impede or redirect flood flows. Furthermore, given that the Chino Basin contains areas that are located within flood hazard zones, the development of several facilities in a given area may, when combined, result in a substantial potential to impede or redirect flows; as such, mitigation is required to minimize impacts thereof.

During project design, overland flows and drainage at each CBP project site would be assessed and drainage facilities would be designed such that no net increase in runoff would occur, in accordance with the Riverside and San Bernardino County MS4 Permits. As required by MM **HYD-9**, either surface runoff shall be collected and retained or a grading and drainage plan would be developed during project design and implemented to ensure no increase in offsite discharges would occur and no substantial increased potential for impeding or redirecting flood flows would occur. Impacts would be less than significant with mitigation.

The Chino Basin contains several areas in the 100-year floodplain, particularly given the creeks, channels, and Santa Ana River that are within or along the boundaries of the Chino Basin. As such, MM **HYD-13** would ensure that future CBP projects located within a floodplain would be further evaluated to determine their potential to impede or redirect flood flows.

The mitigation measures addressed above are required to address potential impacts related to onsite drainage at future CBP facilities. Ultimately, with implementation of these mitigation measures, the CBP would have a less than significant potential to impede or redirect flows.

d. Would the project In flood hazard, tsunami, or seiche zones, risk release of pollutants due to project inundation?

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-307 to 4-310, FPEIR)

Facts: The presence of all new facilities at each project site could create a new risk for pollutants within a given site to be released as a result of inundation. As such, mitigation to address implementation of a drainage management plan or otherwise retain runoff onsite for each project is required to reduce potential for CBP facilities to risk release of pollutants from inundation. Furthermore, given that the Chino Basin contains areas that are located within flood hazard zones, the development of several facilities in a given area may, when combined, result in a substantial potential to release pollutants as a result of inundation; as such, mitigation is required to minimize impacts thereof.

As required by MM **HYD-9**, either surface runoff shall be collected and retained or a grading and drainage plan would be developed during project design and implemented to ensure that pollutants are managed on site and the potential for risk of release thereof due to inundation is minimized. Impacts would be less than significant with mitigation.

MM **HYD-12** is provided to ensure that brine generated by water treatment systems would be disposed of in a manner that would minimize the potential to release pollutants as a result of inundation. The Chino Basin contains several areas in the 100-year floodplain, particularly given the creeks, channels, and Santa Ana River that are within or along the boundaries of the Chino Basin. As such, MM **HYD-13** would ensure that future CBP projects located within a floodplain would be further evaluated to determine their potential to result in significant impacts related to flood inundation.

The mitigation measures addressed above are required to address potential impacts related to flooding and pollutant release at future CBP facilities. Ultimately, with implementation of these mitigation measures, the CBP would have a less than significant potential to risk release of pollutants due to project inundation.

- e. **Would the project conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan?**

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-310 to 4-311, FPEIR)

Facts: The Watermaster and the IEUA are co-permittees for the Chino Basin maximum-benefit SNMP incorporated in the Basin Plan. The maximum-benefit SNMP was developed pursuant to the OBMP to enable the recharge and reuse of recycled water in the Basin. It defines the management actions that the Watermaster and IEUA must take to manage total dissolved solids (TDS) and nitrate concentrations in Chino Basin groundwater and in the IEUA's recycled water and the TDS and nitrate concentration limitations for recycled water reuse activities. The CBP will be operated such that there is no conflict with or obstruction of the Basin Plan. The Watermaster administers the Chino Basin Judgment to ensure the sustainable management of the Chino Basin. By implementing the mitigation actions that Watermaster may require to conduct the CBP, which are enforceable via MMs **HYD-1** through **HYD-7**, the IEUA will ensure that the CBP will not conflict with or obstruct implementation of the Chino Basin Judgment.

These measures would require the Watermaster to continue monitoring efforts to manage the Chino Basin, and to respond to the data gathered through these monitoring efforts with mitigation that would protect MPI and other constraints from occurring to the Chino Basin. As such, with implementation of the above mitigation, the Watermaster would be able to respond to any adverse changes in the Basin with mitigation that would minimize impacts to the Basin. Therefore, implementation of the CBP would have a less than significant potential to conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan.

Mitigation Measures

The IEUA has determined that the proposed project may adversely impact the hydrology of the Chino Basin and water quality during construction and operation. Mitigation to reduce this impact to below a level of potential significance is provided below.

- HYD-1:** *Watermaster shall review the IEUA's Storage and Recovery Program application for the CBP and estimate the surface and ground water systems' response (estimate the potential for new pumping sustainability challenges). Watermaster shall then prepare a report that describes the response and potential Material Physical Injury (MPI) to the Chino Basin and shall develop mitigation requirements pursuant to MM HYD-2 to mitigate MPI caused by the CBP. The IEUA shall develop mitigation measures pursuant to these requirements established by the Watermaster; these measures shall be incorporated into its Storage and Recovery Program application. Upon approval by Watermaster, these mitigation measures shall be incorporated into the CBP storage agreement.*
- HYD-2:** *To mitigate MPI caused by the IEUA's proposed Storage and Recovery Program application (as described above under HYD-1), the data gathered through Watermaster's comprehensive groundwater-level monitoring shall be used to identify potential impacts on pumping sustainability and to develop mitigation requirements to mitigate for these impacts. Potential mitigation includes, but is not limited to: (1) modifying the PUT operations and/or TAKE cycles to minimize impacts to pumping sustainability, (2) strategically increasing supplemental water recharge to mitigate loss of pumping sustainability, (3) modifying a party's affected well (lowering pump bowls), (4) providing an alternate supply to the affected party to ensure it can meet its demands, (5) a combination of (1) through (4), and (6) the implementation of a monitoring program to verify the effectiveness of the mitigation actions.*
- HYD-3:** *Watermaster shall review the IEUA's Storage and Recovery Program application for the CBP and estimate the surface and ground water systems' response (estimate the potential for new land subsidence). Watermaster shall then prepare a report that describes the response and potential MPI to the Chino Basin and shall develop mitigation requirements to mitigate MPI caused by the proposed CBP. The IEUA shall develop mitigation measures pursuant to these requirements pursuant to MM HYD-4 established by the Watermaster; these measures shall be incorporated into its Storage and Recovery Program application. Upon approval by Watermaster, these mitigation measures will be incorporated into the CBP storage agreement.*
- HYD-4:** *To mitigate the potential for new land subsidence caused by the IEUA's proposed Storage and Recovery Program application (as described above under HYD-3), the data gathered through Watermaster's comprehensive groundwater-level and ground-level monitoring shall be used to identify the potential for new land subsidence and to develop mitigation requirements to mitigate for these impacts. Potential mitigation includes, but is not limited to: (1) modifying the PUT operations and/or TAKE cycles to ensure the CBP does not contribute to the lowering of groundwater-levels below the new land subsidence metric, (2) providing an alternate supply to MZ-1 producers to maintain groundwater-levels above the new land subsidence metric, to the extent that the CBP affects them, (3) a combination of (1) and (2) above, and (4) the implementation of a monitoring program to verify the effectiveness of the mitigation actions.*
- HYD-5:** *Watermaster shall estimate the reduction in net recharge and Safe Yield for the CBP and deduct it from water stored in the CBP storage account, which will compensate for its impact on net recharge and Safe Yield. Watermaster shall review these impacts and develop mitigation requirements for the CBP. The IEUA shall develop mitigation measures pursuant to the requirements suggested in MM HYD-6 and established by Watermaster; these measures shall be incorporated into the IEUA's Storage and Recovery Program application. Upon approval by Watermaster, these mitigation measures shall be incorporated into the CBP storage agreement.*
- HYD-6:** *To mitigate reduction in net recharge and Safe Yield caused by the CBP (as described above under HYD-5), the Watermaster's comprehensive monitoring and modeling that estimates net recharge of the Chino Basin shall be used to identify potential and actual losses of net recharge and to develop mitigation requirements to mitigate impacts thereof. Potential mitigation includes, but is not limited to: (1) modifying the PUT operations and/or TAKE cycles to minimize reductions in net recharge, (2) deducting the reduction in net recharge from the IEUA's Storage and Recovery account, (3) recharge additional water to mitigate reductions in net recharge, (4) construct facilities in the southern part of the Basin to eliminate the reduction of net recharge due the CBP, (5) a combination of (1) through*

(4), and (6) the implementation of a monitoring program to verify the effectiveness of the mitigation actions.

- HYD-7:** *Watermaster shall periodically review current and projected Basin conditions and shall compare this information to the projected Basin conditions assumed in the evaluation of the CBP Storage and Recovery Program application process, compare the projected CBP operations to actual operations. The Watermaster shall then make findings regarding the efficacy of the mitigation program and requirements required herein and by the CBP storage agreement. Based on Watermaster's review and subsequent findings, where applicable, Watermaster shall require changes and/or modifications in the CBP storage agreement that will adequately mitigate MPI and related adverse impacts including but not limited to pumping sustainability, net recharge and safe yield, subsidence, hydraulic control, and groundwater quality.*
- HYD-8:** *Prior to the commencement of construction of any CBP project that will disturb less than one acre (i.e., that is not subject to the California Construction Stormwater General Permit), IEUA shall require implementation of and construction contractor(s) shall select best management practices (BMPs) to achieve a reduction in pollutants from stormwater discharge to the maximum extent practicable during the construction of each CBP facility, and to control urban runoff after each CBP facility is constructed and is in operation. Examples of BMP(s) that would achieve a reduction in pollutants include, but are not limited to:*
- The use of silt fences or coir rolls;*
 - The use of temporary stormwater desilting or retention basins;*
 - The use of water bars to reduce the velocity of stormwater runoff;*
 - The use of wheel washers on construction equipment leaving the site;*
 - The washing of silt from public roads at the access point to the site to prevent the tracking of silt and other pollutants from the site onto public roads;*
 - The storage of excavated material shall be kept to the minimum necessary to efficiently perform the construction activities required. Excavated or stockpiled material shall not be stored in water courses or other areas subject to the flow of surface water; and*
 - Where feasible, stockpiled material shall be covered with waterproof material during rain events to control erosion of soil from the stockpiles.*
- HYD-9:** *Prior to commencement of construction of project facilities, IEUA shall be required to either:*
- (1) Prepare a No Net Discharge Report demonstrating that within each facility surface runoff shall be collected and retained (for use onsite) or detained and percolated into the ground on the site such that site development results in no net increase in offsite stormwater flows. Detainment shall be achieved through Low Impact Development techniques whenever feasible, and shall include techniques that remove the majority of urban storm runoff pollutants, such as petroleum products and sediment. The purpose of this measure is to remove the onsite contribution to cumulative urban storm runoff and ensure the discharge from the sites is treated to reduce contributions of urban pollutants to downstream flows and to groundwater; or, where it is not feasible to eliminate stormwater flows off of a site or where otherwise appropriate, the Watermaster and/or Implementing Agency shall:*
 - (2) Prepare a grading and drainage plan that identifies anticipated changes in flow that would occur on site and minimizes any potential increases in discharge, erosion, or sedimentation potential in accordance with applicable regulations and requirements for the County and/or the City in which the facility would be located. In addition, all new drainage facilities shall be designed in accordance with standards and regulations. The plan shall identify and implement retention basins, best management practices, and other measures to ensure that potential increases in storm water flows and erosion would be minimized, in accordance with local requirements.*
- HYD-10:** *To minimize potential ground disturbances associated with installation and maintenance of wellhead treatment at existing wells, the equipment and treatment facilities shall be installed within or along existing disturbed easements or rights-of-way or otherwise disturbed areas, including access roads and pipeline or existing utility easements, whenever feasible.*
- HYD-11:** *For long-term mitigation of site disturbances at CBP facility locations, all areas not covered by structures shall be covered with hardscape (concrete, asphalt, gravel, etc.), native vegetation and/or man-made landscape areas (for example, grass). Revegetated or landscaped areas shall provide sufficient cover to ensure that, after a two-year period, erosion will not occur from concentrated flows (rills, gully, etc.) and sediment transport will be minimal as part of sheet flows.*

HYD-12: *All new and expanded water treatment facilities associated with the CBP shall ensure that any brine generated from the water treatment process that cannot be otherwise treated on-site is disposed of in accordance with state and local regulations—such as through disposal to a brine line (Non-Reclaimable Wastewater System, Etiwanda Wastewater Line, and Inland Empire Brine Line, etc.)—to prevent brine from being discharged into the local stormwater collection system.*

HYD-13: *IEUA shall verify that any given CBP facility (excepting those located at existing facilities [wells, water treatment plants, etc.] and pipelines and turnouts located belowground) is located outside of the 100-year floodplain by utilizing the FEMA FIRM panels for the selected area prior to project implementation. If a given project is located outside of the 100 year floodplain, then no subsequent CEQA documentation specific to floodplains are required. However, if a project is located within the 100-year floodplain either (1) a new location outside of the 100-year floodplain shall be selected, or (2) a second tier CEQA evaluation shall be completed that would address the given project's location within the 100-year floodplain.*

IEUA finds that implementation of the above measures would minimize hydrology and water quality impacts to a less than significant level. The above measures can be implemented without causing additional adverse environmental impacts. The above measures will be integrated into the future CBP development activities without additional impacts on the environment. Since the proposed project as analyzed above will not directly or indirectly cause significant adverse impact due to the actions proposed as part of the CBP, or to the water quality of the Chino Basin with implementation of mitigation provided above, the CBP is not forecast to contribute to cumulatively considerable hydrology and water quality impacts.

9. Land Use / Planning

a. Would the project physically divide an established community?

Finding: No Impact (pg. 4-350 to 4-352, FPEIR)

Facts: The project does not propose any action that could physically divide an established community. The physical division of an established community generally refers to the construction of features such as an interstate highway, railroad tracks, or permanent removal of a means of access, such as a local road or bridge that would impact mobility within an existing community or between a community and outlying area.

The development of the AWPf at RP-4 would occur within developed sites already dedicated to wastewater treatment facilities. There are no features of the treatment facility upgrades that would create a barrier or physically divide an established community. Aboveground facilities would be integrated into the existing urban/industrial character surrounding a treatment plant. As such, there would be no impact. However, the exact locations of the proposed wellhead treatment facilities have not yet been determined, but there are no features of these treatment facilities that would create a barrier or physically divide an established community. No impacts are anticipated.

b. Would the project cause a significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect?

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-352 to 4-354, FPEIR)

Facts: Because the precise location for future wells is presently unknown, CBP facilities may be developed across other designated land uses. Per Government Code

Section 53091, building ordinances of local cities or counties do not apply to the location or construction of facilities for the projection, generation, storage, treatment, or transmission of water or wastewater. Therefore, any project facilities that conflict with local General Plan land use designations would not be subject to a conditional use permit or general plan amendment. The IEUA would determine the most suitable locations to place facilities, taking into consideration surrounding land uses. The IEUA would coordinate directly with local agencies with jurisdiction to ensure compatibility with existing adjacent land uses. Future CBP facilities may result in land use incompatibilities with adjacent uses; therefore, mitigation is required to ensure incompatibilities are minimized.

MM **LU-1** would ensure that the facilities associated with the CBP are developed in appropriate areas, and conform with the surrounding land uses or are developed to minimize conflicts with adjacent land uses. This measure will minimize impacts below significance thresholds. For these reasons, the proposed project would result in a less than significant impact related to potential conflicts with land use plans, policies, or regulations.

Mitigation Measures

The IEUA has determined that implementation of the proposed project may result in land use conflicts. Mitigation to reduce this impact to below a level of potential significance is provided below.

LU-1: *Following selection of sites for future CBP-related facilities, each site and associated facility shall be evaluated for potential incompatibility with adjacent existing or proposed land uses. Where future facility operations can create significant incompatibilities (lighting, noise, use of hazardous materials, traffic, etc.) with adjacent uses, an alternative site shall be selected, or subsequent CEQA documentation shall be prepared that identifies the specific project design features or mitigation measures that will be utilized to reduce potential incompatible activities or effects to below significance thresholds established in the general plan for the jurisdiction where the facility will be located.*

IEUA finds that implementation of the above measure would reduce potential land use conflicts. The above measure can be implemented without causing additional adverse environmental impacts. The above measure will be integrated into the future development activities without additional impacts on the environment. Since the proposed project, as analyzed above, will not directly or indirectly cause significant land use conflicts with implementation of mitigation, the proposed project is not forecast to contribute cumulatively to land use conflicts.

12. Mineral Resources

- a. **Would the project result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?**

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-359 to 4-360, FPEIR)

Facts: Much of the Chino Basin has been urbanized, resulting in very few areas containing mineral resources that are not already utilized for mining activities. However, these mineral deposits are endangered by the same urbanization that enhances their value. The only significant mineral resources that occur within or near the project area are limestone, sand and gravel, crushed rock and rip rap. The location of these resources is primarily in the Jurupa and Pedley Hills, and also near the Santa Ana

River. As such, there is a nominal potential for future CBP facilities to be located within a site containing mineral resources, which could result in the loss of available mineral resources. Thus, mitigation is required in order to minimize potential impacts thereof.

The implementation of MM **MR-1** would ensure that the proposed facilities associated with the CBP would not result in significant loss of mineral resources through either relocation, or compensation for development proposed to be located within an area containing significant mineral resources.

Through compliance with the above mitigation measure, the CBP would have a less than significant potential to result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state.

- b. **Would the project result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?**

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-359 to 4-360, FPEIR)

Facts: The only significant mineral resources that occur within or near the project area are limestone, sand and gravel, crushed rock and rip rap. The location of these resources is primarily in the Jurupa and Pedley Hills, and also near the Santa Ana River. At the project specific level, the facilities associated with the CBP may have a very small impact on mineral resources. Some CBP facilities may be large enough to interfere with locally important mineral resources recovery sites, should these facilities be located within such sites. As such, mitigation is required to minimize potential impacts below significance thresholds.

Implementation of MM **MR-1** is sufficient to reduce the potential for impacts to mineral resources to a less than significant level through either relocation, or compensation for development proposed to be located within an area containing significant mineral resources.

Therefore, the installation and operation of CBP facilities has little potential to have a direct adverse impact on mineral resources, unless the parcel(s) selected for such facilities are within an active mining area or are designated for recovery of mineral resources. Implementation of MM **MR-1** is sufficient to reduce the potential for impacts to mineral resources to a less than significant level.

Mitigation Measures

There are—as described in Subchapter 4.13 of the FPEIR—limited mineral resources that occur in the northern portion of the Chino Basin. There is a nominal potential for future CBP facilities to be installed within a mineral resource zone. As such, mitigation has been identified to minimize mineral resource impacts.

MR-1: *IEUA shall locate each facility proposed under the CBP outside of sites designated for the extraction of or as containing significant mineral resources (such as, located within MRZ-2 zones) or otherwise identified by the local jurisdiction as containing important mineral resources (such as, designated by the local general plan as being located within a mineral extraction related land use). Where it is not feasible to locate such facilities outside of sites designated for mineral resources, subsequent*

CEQA documentation shall be prepared to identify specific measures to mitigate the loss of mineral resources.

IEUA finds that, with implementation of this mitigation measure, the project-related mineral resource impacts would be reduced to a level of insignificance, and as such, the proposed project will not cause unavoidable significant mineral resource impacts.

13. Noise

- a. **Would the project result in generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of a project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?**

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-392 to 4-402, FPEIR)

Facts: Construction noise attenuates rapidly with distance, especially in urban environments with intervening structures and noise sources, and construction noise generated at one CBP construction site would generally not affect the same receivers as construction noise generated at another CBP construction site if the construction sites are located more than 200 feet apart from each other. Although multiple individual projects under the CBP may be constructed simultaneously, each project under construction would not be located in such close proximity to other projects under construction. Thus, it is unlikely that the combined effects of individual projects under all project categories would result in greater construction noise impacts than those evaluated for each project category. If residential land uses are located within 100 feet of individual construction sites or if commercial land uses are located within 50 feet of individual construction sites, then individual CBP development projects could result in a potentially significant daytime construction noise impact. Therefore, implementation of MMs **NOI-1** through **NOI-3** would be required, which would reduce the impact to a less than significant level. Additionally, construction of individual projects under the CBP would also temporarily generate additional vehicle trips in the Chino Basin associated with construction workers traveling to and from construction sites, material deliveries, concrete trucks, water trucks, and soil material import/export. These additional traffic volumes would be dispersed throughout the Chino Basin on local and regional roadways in proximity to each well site. The limited number of trips would not have the potential to double traffic volumes even on low-volume local roadways. Thus, it is unlikely that individual projects implemented under the CBP would increase off-site traffic noise levels by 3 dBA. Therefore, construction traffic noise impacts would be less than significant.

Similarly, residential land uses are located within 225 feet of individual construction sites or if commercial land uses are located within 50 feet of individual construction sites where nighttime well drilling activities would occur, then individual projects under the CBP could result in a potentially significant nighttime construction noise impact. Therefore, implementation of MMs **NOI-1** through **NOI-3** would be required, which would reduce the impact to a less than significant level. No additional combined nighttime construction noise impacts would occur.

Operational noise levels associated with extraction wells with aboveground pumps may exceed the operational noise thresholds for sensitive land uses established by the local jurisdiction. As a result, implementation of Mitigation Measure **NOI-4** would be required for implementation of future CBP facilities, which would reduce impacts

to a less than significant level. Additionally, combined operational noise levels associated with individual projects under all project categories may exceed the operational noise thresholds for sensitive land uses established by the local jurisdiction. As a result, implementation of MM **NOI-4** would be required for all CBP projects with noise-generating components (i.e., extraction wells, pump stations, and wellhead treatment facilities) located within 1,000 feet of each other, which would reduce impacts to a less than significant level.

The limited number of trips would not have the potential to double traffic volumes even on low-volume local roadways. Thus, it is unlikely that individual projects implemented under the CBP would increase off-site traffic noise levels by 3 dBA. Therefore, off-site traffic noise impacts would be less than significant, and no mitigation is required. Additionally, it is unlikely that the combined effects of individual projects under all project categories would have the potential to double traffic volumes even on low-volume local roadways. As a result, it is unlikely that the CBP would increase off-site traffic noise levels by 3 dBA. Therefore, off-site traffic noise impacts would be less than significant, and no mitigation is required.

Overall, MMs **NOI-1** through **NOI-4**, which would ensure that construction noise studies are conducted for specific CBP projects; ensure that construction noise and vibration reduction measures are implemented where identified in the site specific noise study, and where project-level construction noise cannot be reduced below significance thresholds, IEUA shall seek a variance from the local noise ordinance prior to initiating construction; ensure operational noise studies are conducted for specific CBP project sites with operational noise reduction measures implemented, where applicable, and ensure that where operational noise cannot be reduced to below significance thresholds at a specific site, an alternative location is selected or subsequent CEQA documentation shall be performed, would minimize the potential for the CBP to result in generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of a project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies.

b. Would the project result in generation of excessive groundborne vibration or groundborne noise levels?

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-402 to 4-406, FPEIR)

Facts: At this time, individual projects that may be implemented under Project Category 1 do not have sufficient detail to allow project-level analysis of vibration impacts during construction. However, if historic sites, structures, or vibration-sensitive land uses are located within the minimum distances for drill rigs shown in Table 4.14 25, then individual projects under the CBP could result in a potentially significant daytime construction vibration impact. In addition, if nighttime well drilling occurs within 55 feet of land uses where people sleep, then individual projects under the CBP could also result in a potentially significant nighttime construction vibration impact. Therefore, implementation of MMs **NOI-5** through **NOI-7** would be required, which would reduce impacts to a less than significant level. These measures would ensure that vibration generating equipment operate outside of the minimum distances from sensitive receivers; ensure that minimal-vibration-producing equipment is used near historic structures; and, where construction must occur outside of the specified buffer distance intended to minimize construction related vibration, mitigation is

implemented, where vibration levels cannot be reduced to below significance thresholds, an alternative location is selected or subsequent CEQA documentation shall be performed.

Vibration generated at one CBP construction site would generally not affect the same receivers as vibration generated at another CBP construction site if the construction sites are located more than 120 feet apart from each other. Although multiple individual projects under the CBP may be constructed simultaneously, each project under construction would not be located in such close proximity to other projects under construction. Thus, it is unlikely that the combined effects of individual projects under all project categories would result in greater construction vibration impacts than those evaluated above for each project category. No additional construction vibration impacts would occur as a result of the combined project categories.

Operational activities associated with individual projects implemented under the CBP would not include sources of vibration, such as heavy machinery. Components such as injection, extraction, and monitoring wells, pump stations, water treatment facilities, pipelines, turnouts, and reservoirs, do not generate substantial vibration. Therefore, no operational vibration impact would occur, and no mitigation is required.

- c. **Would the project result in, for a project located within the vicinity of a private airstrip or an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?**

Finding: Less Than Significant Impact (pg. 4-406 to 4-408, FPEIR)

Facts: Public use airports and private air strips are located within and near the Chino Basin, including the Ontario International Airport, San Bernardino International Airport, Riverside Municipal Airport, Corona Municipal Airport, Chino Airport, Cable Airport, Flabob Airport, and Brackett Field Airport. Of the known locations in which CBP facilities will be located, there are a few that will be installed within a two-mile radius of the nearest airport. At these locations, construction contractors would be required to comply with California Occupational Safety and Health Administration regulations related to worker exposure to noise. Section 5096 of these regulations sets duration-based noise exposure limits for construction workers that require provision of personal protective equipment should exposure exceed the specified limits. The requisite adherence to these regulations would reduce construction worker exposure to high noise levels such that proposed CBP construction activities would not expose employees to excessive noise levels. Therefore, construction workers would not be exposed to excessive noise levels from aircraft noise.

Some individual projects implemented under the proposed CBP may be located within two miles of a public use airport or private airstrip. However, none of the proposed CBP projects involve operation of noise-sensitive receivers, such as residences or schools, that would be exposed to excessive airport noise in the Chino Basin. Furthermore, most projects proposed under the CBP would be unmanned and would require infrequent maintenance visits that likely would not require extended exposure to aircraft noise if projects were located near airports or airstrips. IEUA would be required to comply with California Occupational Safety and Health Administration regulations related to worker exposure to noise. These regulations would reduce employee exposure to high noise levels such that operational activities

would not expose employees to excessive noise levels. Therefore, operational impacts related to aircraft noise would be less than significant, and no mitigation is required.

Mitigation Measures

The IEUA has determined that the proposed project may cause significant short- and long- term noise impacts, as well as short-term vibration impacts, and may cause significant impacts to workers at future CBP sites from airport noise. The Chino Basin contains extensive areas with noise sensitive land uses. Due to these substantial noise constraints and the installation of future noise-producing CBP facilities in locations where such noise sensitive uses may exist, a potential for significant noise impacts from implementation of the CBP. However, several mitigation measures were identified to minimize noise impacts as outlined below:

NOI-1: *The following construction noise control practices shall be implemented at all CBP construction sites:*

- *Construction staging and activities shall be located in areas as far as practicable from sensitive receivers or in areas where receivers can be shielded from construction noise.*
- *Whenever practicable, construction activities shall be scheduled so as to avoid operating several pieces of equipment simultaneously.*
- *All heavy-duty stationary construction equipment shall be placed so that emitted noise is directed away from the nearest sensitive receivers.*
- *IEUA shall provide a non-automated telephone number for local residents to call to submit complaints associated with construction noise during all phases of construction. IEUA shall maintain a log of complaints and shall address complaints to minimize noise issues for neighbors.*

NOI-2: *Project-level construction noise studies shall be conducted for the following project activities that would exceed the screening criteria for a less than significant impact:*

- *All projects under Project Category 1, if the center of the construction site would be located within 225 feet of residential land uses and/or within 50 feet of commercial land uses*
- *All projects under Project Category 2, if the center of the construction site would be located within 100 feet of residential and/or commercial land uses*
- *Wellhead treatment projects under Project Category 4, if the center of the construction site would be located within 100 feet of residential land uses and/or within 50 feet of commercial land uses*

Such noise studies shall identify the existing ambient noise levels, characterize the nearest sensitive receivers, estimate the noise levels receivers will experience during construction of individual projects, compare estimated noise levels to the daytime and/or nighttime construction noise criteria in the FTA (2018) Transit Noise and Vibration Impact Assessment Manual, outline measures that may be used to reduce noise levels, and determine the amount of noise reduction that would occur with implementation of these measures. If the individual project would be constructed concurrently with development projects located within a 0.5-mile radius of the individual project location, the noise study shall also consider the cumulative impact of construction noise on sensitive receivers. If the project-level noise study concludes that noise reduction measures are required, Mitigation Measure NOI-3 shall be implemented.

NOI-3: *If the results of the project-level construction noise study prepared under Mitigation Measure NOI-2 determine noise reduction measures are required, noise reduction measures shall be implemented to reduce noise levels to at or below the daytime and/or nighttime construction noise criteria in the FTA (2018) Transit Noise and Vibration Impact Assessment Manual. Construction noise reduction measures may include, but would not be limited to, the use of mufflers, sound blankets/barriers, and/or enclosures; scheduling construction activities to minimize simultaneous operation of noise-producing equipment; and/or temporary accommodations for affected residents. If applicable, construction noise reduction measures shall be implemented to reduce cumulative noise levels to local jurisdiction or FTA (2018) construction noise criteria. If project-level construction noise cannot be reduced to at or below the local jurisdiction acceptable noise levels or daytime and/or nighttime*

construction noise criteria in the FTA (2018) Transit Noise and Vibration Impact Assessment Manual, IEUA shall seek a variance from the local noise ordinance prior to initiating construction.

- NOI-4:** *Prior to the commencement of construction activities for individual projects with noise-generating components (i.e., extraction wells, pump stations, and wellhead treatment facilities) where sensitive receivers are located within 1,000 feet of the individual project sites, project-level operational noise studies shall be conducted. Such noise studies shall identify the ambient noise levels, characterize the nearest sensitive receivers, estimate the noise levels receivers will experience during operation of individual projects during the operational period, and compare estimated noise levels to the noise level standards of the applicable jurisdiction. If one or more other individual CBP projects with noise-generating components are proposed to be located within 1,000 feet of the individual project under evaluation, the operational noise study shall also evaluate the combined operational noise levels generated by all CBP projects within 1,000 feet of the individual project site. The operational noise study shall also outline measures that shall be implemented to reduce noise levels below the local jurisdiction's noise standards and demonstrate how implementation of these noise reduction measures would reduce noise levels below the applicable standards. Noise reduction measures may include, but would not be limited to, alternative site design, alternative orientation of noise sources, alternative equipment selection, use of sound enclosures, and construction of berms and/or barriers. Noise reduction measures shall be implemented to reduce noise levels to the noise level standards of the applicable jurisdiction. If project-level operational noise cannot be reduced to at or below the local jurisdiction acceptable noise levels, IEUA shall either (1) select an alternative site location that avoids exceeding the noise level standards of the applicable jurisdiction at the nearest sensitive receptor, or (2) undergo subsequent CEQA documentation to assess potential site-specific noise impacts from locating a future facility in close proximity to sensitive receptors.*
- NOI-5:** *Whenever practicable, vibration-generating equipment including bull dozers, loaded trucks, drill rigs, vibratory rollers, and jackhammers shall operate outside the minimum distances specified in Table 4.14-25 of the draft PEIR for historic sites, other structures, and vibration-sensitive receivers during CBP construction activities. Furthermore, whenever practicable, vibration-generating equipment including bull dozers, loaded trucks, drill rigs, vibratory rollers, and jackhammers shall not be operated concurrently with vibration-generating equipment associated with cumulative development projects located within 600 feet of CBP construction sites.*

(copied here to accompany this measure)

Table 4.14-25

VIBRATION LEVEL CONTOURS DURING CONSTRUCTION ACTIVITIES

Equipment	Minimum Distance to Receiving Land Use for a Less Than Significant Impact (feet)			
	Historic Sites ¹	All Other Structures ²	Daytime Vibration-Sensitive Land Uses ³	Nighttime Vibration-Sensitive Land Uses ⁴
Large Bull Dozer	20	15	10	55
Small Bull Dozer	5	5	5	5
Loaded Truck	20	10	10	35
Drill Rig ⁵	20	15	15	55
Vibratory Roller	40	30	25	110
Jackhammer	10	5	5	25

- NOI-6:** *Whenever practicable at CBP construction sites within 120 feet of historic sites, other structures, and vibration-sensitive receivers during CBP construction activities, non-vibratory rollers and small bull dozers shall be utilized instead of vibratory rollers and large bull dozers.*
- NOI-7:** *If operation of construction equipment outside the specified buffer distances in Table 4.14-25 of the draft PEIR (copied and provided under NOI-5) is not practicable, a detailed study of vibration impacts shall be conducted prior to the commencement of construction for that project. Such vibration studies shall characterize the nearest historic sites, structures, and/or sensitive receivers; estimate the vibration levels receivers will experience during construction of individual projects; compare estimated vibration levels to applicable FTA (2018) Transit Noise and Vibration Impact Assessment*

Manual and Caltrans (2020) Transportation and Construction Vibration Guidance Manual (CT-HWANP-RT-20-365.01.01); standards for vibration impacts related to structural damage and human annoyance; outline any measures that may be used to reduce vibration levels; and determine the amount of vibration reduction that would occur with implementation of these measures. Vibration reduction measures may include, but would not be limited to, the use of non-vibratory equipment, vibration monitoring, repair of structural damage, the installation of wave barriers, maximization of the distance between vibratory equipment and receivers, restriction of vibration-generating activities to daytime hours, and/or temporary relocation of affected residents. Construction vibration reduction measures shall be implemented to reduce vibration levels to FTA (2018) and Caltrans (2020) construction vibration thresholds. If project-level construction vibration cannot be reduced to at or below the FTA (2018) and Caltrans (2020) construction vibration thresholds, IEUA shall either (1) select an alternative site location that avoids exceeding the FTA (2018) and Caltrans (2020) construction vibration thresholds at the nearest historic sites, structures, and/or sensitive receivers, or (2) undergo subsequent CEQA documentation to assess potential site-specific vibration impacts from locating a future facility in close proximity to historic sites, structures, and/or sensitive receivers.

If the individual project would be constructed concurrently with cumulative development projects located within a 600-foot radius of the individual project construction site, the vibration study shall also consider the cumulative impact of combined vibration levels at the nearest sensitive receivers by estimating the combined vibration levels receivers will experience during construction of individual projects and cumulative development; compare estimated vibration levels to applicable standards for vibration impacts related to structural damage and human annoyance identified by Caltrans (2020) and the FTA (2018); identify whether the individual project's contribution to any identified cumulative impact would be cumulatively considerable; outline any measures that may be used to reduce the project's contribution to combined vibration levels; and determine the amount of vibration reduction that would occur with implementation of these measures. Such measures may include, but are not limited to, the use of non-vibratory equipment, vibration monitoring, repair of structural damage, the installation of wave barriers, maximization of the distance between vibratory equipment and receivers, restriction of vibration-generating activities to daytime hours, and/or temporary relocation of affected residents. Construction vibration reduction measures shall be implemented to reduce cumulative vibration levels to Caltrans and FTA construction vibration thresholds. If cumulative construction vibration cannot be reduced to at or below the FTA (2018) and Caltrans (2020) construction vibration thresholds, IEUA shall either (1) select alternative site locations that avoid exceeding the FTA (2018) and Caltrans (2020) construction vibration thresholds at the nearest historic sites, structures, and/or sensitive receivers, or (2) undergo subsequent CEQA documentation to assess potential site-specific vibration impacts from locating a future facility in close proximity to historic sites, structures, and/or sensitive receivers.

The IEUA finds that implementation of the above measures would reduce potential construction noise impacts to a less than significant impact level. The above measures can be implemented without causing additional adverse environmental impacts. The above measures will be integrated into the future development activities without additional impacts on the environment. Since the proposed project as analyzed above will not directly or indirectly cause significant construction noise impacts with implementation of mitigation, the proposed project is not forecast to contribute to cumulatively considerable noise during construction activities.

14. Population and Housing

- a. Would the project induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?

Finding: Less Than Significant Impact (pg. 4-415 to 4-416, FPEIR)

Facts: Construction of the proposed infrastructure would require temporary employment. It is reasonable to assume that the majority of the construction employment opportunities would be filled by workers living within the Chino Basin area or in close

proximity. Operation and maintenance of the majority of the proposed infrastructure would be anticipated to be provided primarily by existing IEUA employees within the Chino Basin area, although the AWPf is anticipated to require 8 new operations and maintenance staff. However, the number of new employees required would be minimal and the majority of employees are expected to be drawn from existing population within the Chino Basin. Therefore, the potential increase in new residents within the Chino Basin would be nominal.

Implementation of the proposed project would increase the resiliency and sustainability of regional water resources management within the Chino Basin area; however, it is not forecast to change land uses or otherwise create activities that could increase population or employment beyond that which is anticipated in the local jurisdictions' General Plans. Ultimately, the CBP and its implementation are one step removed from actual development and provisions of adequate water supplies in support of building-out each jurisdictions' general plan. Water does not serve as a constraint to growth and by planning and expanding water system infrastructure to meet this future demand, water purveyors are growth accommodating, not growth inducing. Thus, the CBP does not remove any existing constraint on future development, because Chino Basin water purveyors have alternative means to meet future water demands. Therefore, the implementation of the proposed project would result in less than significant impacts related to inducement of population growth.

b. Would the project displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-416 to 4-418, FPEIR)

Facts: The proposed project is not anticipated to result in displacement of housing or persons; however, given that the locations of the many of the CBP facilities are presently unknown, it is remotely possible that the development of specific facilities could adversely impact existing housing, though many of the CBP facilities will be located within existing sites utilized for water and wastewater infrastructure. Implementation of mitigation is required to ensure that the CBP's potential to displace housing or persons is fully mitigated.

MM **POP-1** would ensure that the facilities associated with the CBP that must be located on parcels containing housing would be minimized through the provision of short- and long-term housing of comparable quality, thereby minimizing impacts below significance thresholds.

Ultimately, through the implementation of mitigation, the CBP is not forecast to cause a significant displacement of existing housing or persons.

Mitigation Measures

The IEUA has determined that the proposed project may displace persons or housing, which could result in a significant impact. A mitigation measure to reduce this impact to below a level of potential significance is provided below.

POP-1: *If future CBP facilities must be located on parcels occupied by existing housing and displaces that housing as a result, IEUA will assist with a relocation plan in conformance with Section 7260 et seq.*

of the California Government Code (“California Relocation Assistance Law” or the “Act”) to ensure that short- and long-term housing of comparable quality and value are made available to the occupant(s) prior to initiating construction of the facility.

The IEUA finds that implementation of the above measure would reduce potential for a substantial number of people to be displaced to a less than significant impact level. The above measure can be implemented without causing additional adverse environmental impacts. The above measure will be integrated into the future development activities without additional impacts on the environment. Since the proposed project as analyzed above will not directly or indirectly cause substantial displacement of people or housing with implementation of mitigation, the CBP is not forecast to contribute to cumulatively considerable changes in population or housing during construction or operational activities.

13. Public Services

- a. **Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services: Fire protection?**

Finding: Less Than Significant Impact (pg. 4-435 to 4-436, FPEIR)

Facts: The proposed CBP does not include construction of new homes or businesses that would result in a direct increase in population or create a substantial number of new jobs that would result in new residents of the Chino Basin area. Operational activities associated with the proposed CBP facilities could require fire department service in the unlikely event of a hazardous materials emergency or accident/medical emergency at a given site. Although proposed CBP facilities may result in an additional demand on fire protection services, the implementation of the HMBP and/or continuation of adopted safety standards in addition to continuation of IEUA developed safety standards and operational procedures for safe transport and use of its operational and maintenance materials that are potentially hazardous, which comply with all federal, State, and local regulations, thereby minimizing the potential for the need for fire protection services. Any CBP project requiring structures will be required to meet building codes, including those related to fire protection, such as adequate fire flow. The indirect increase in population and the use of hazardous materials associated with project development would result in a nominal increase in fire protection services. As a result, no new fire protection facilities or altered facilities would be required. Impacts related to fire protection services would be less than significant.

- b. **Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services: Police protection?**

Finding: Less Than Significant With Mitigation Incorporated (pg. 258-259, FPEIR)

Facts: The development of CBP facilities will not cause a significant demand for police protection services. Implementation of the proposed project is not forecast to change land uses or otherwise create activities that could increase demand for additional

police protection services beyond that which is anticipated in the local jurisdictions' General Plans. The Chino Basin area is currently served by police departments and agencies under authority of the various jurisdictions that comprise the Chino Basin. Overall levels of police service would be increased based upon the future population growth and related commercial and industrial growth within the Chino Basin. Operational activities associated with the proposed project could require police department service in the unlikely event of an emergency or trespass at a given project site. However, it is anticipated that all sites containing facilities associated with the proposed project would be fenced in and contain security lighting, which would minimize the future need for police protection from trespass. Though a significant demand for police protection services is not anticipated, mitigation is proposed to address trespass issues.

Implementation of MM **PS-1** would minimize the potential for trespass that could exacerbate police protection services. With implementation of this mitigation measure, the project-related police protection impacts would be reduced to a less than significant impact level.

- c. **Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services: Schools?**

Finding: Less Than Significant Impact (pg. 4-437, FPEIR)

Facts: The development of CBP facilities will not cause a significant demand for schools. Implementation of the proposed project would increase the resiliency and sustainability of regional water resources management within the Chino Basin area. However, implementation of the proposed project is not forecast to change existing land uses or increase either the number of residential units located within the Chino Basin area or the number of students generated from the Chino Basin area beyond that anticipated in the local jurisdictions' General Plans. Operation of the proposed project is not forecast to require more than 15 additional permanent employees which would result in a nominal increase in demand for school services. School Districts in the Chino Basin area have adopted classroom loading standards (number of students per classroom) and collect development impact fees per square foot of residential, commercial, and industrial development. Because the proposed project is not forecast to change land uses, increase housing, or create activities that can increase demand for additional school capacity beyond that anticipated in the local jurisdictions' General Plans, and because there are adopted standards and development fees are collected for new development, impacts related to demand for school services would be less than significant.

- d. **Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services: Parks?**

Finding: Less Than Significant With Mitigation Incorporated (pg.4-437 to 4-440, FPEIR)

Facts: The nominal potential increase in potential new residents within the Chino Basin may contribute to a minimal increased demand for parks. Nonetheless, because the proposed project would not substantially increase the population within the Chino Basin area, the proposed project would not substantially increase use of existing parks.

There is a potential that a proposed CBP facility could be located within existing parks or facilities designated for such uses. Construction and staging areas may result in the temporary closure of parks or portions of parks. However, several parks in the Chino Basin area would be available for use. This increased use of other parks would be temporary, during construction only. Once construction is completed, parks would return to serve their original purpose, with only slightly less parkland area available for use. In addition to potential development of CBP facilities within existing parks, there is a potential for wells or other CBP facilities to be developed within a vacant site designated for park use, which would effectively minimize available designated parkland within the Chino Basin. As such, mitigation is required to ensure that, for CBP facilities located within vacant land designated for park uses, or CBP facilities larger than one acre in size within existing park facilities, additional parkland is developed to supplement the loss of this parkland or recreation facility.

Implementation of MM **PS-2** above would minimize the potential for loss of park or recreational facilities as a result of CBP projects located within facilities designated for such uses. With implementation of this mitigation measure, the project-related parks and recreation impacts would be reduced to a less than significant impact level.

- e. **Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services: Other public facilities?**

Finding: Less Than Significant Impact (pg. 4-440, FPEIR)

Facts: The development of the CBP will not cause a significant demand for or increase in library services. The proposed project would not include construction of housing that would result in any direct increase in demand for library or other public services. Operation of the proposed project is not forecast to require more than 15 additional permanent employees. However, new employees are anticipated to come primarily from within the Chino Basin area; therefore, the project would result in only a nominal increase in demand for libraries and other public services. Implementation of the proposed project would increase the resiliency and sustainability of regional water resources management within the Chino Basin area. However, the project is not forecast to change land uses or otherwise create activities that can increase demand for library services beyond that which is anticipated in the local jurisdictions' General Plans. Libraries are currently provided by the counties and other local agencies under authority of the various jurisdictions that comprise the Chino Basin. Local agencies would increase overall levels of library service based upon the future population within their jurisdiction. The project would not substantially increase demand for library or other public services and impacts would be less than significant.

Mitigation Measures

The IEUA has determined that the proposed project has little potential to impact public facilities. However, the following mitigation measures to reduce or remove any potential impact to police services, and to parks and recreation facilities to below a level of potential significance are provided below.

PS-1: CBP facilities shall be fenced or otherwise have access controlled to prevent illegal trespass to attractive nuisances, such as construction sites.

PS-2: CBP facilities proposed to be located within vacant parkland or CBP facilities proposed to be located within existing park or recreation facilities that would require more than one acre of disturbance shall be either (1) relocated to avoid significant impacts to parkland or (2) shall provide supplemental parkland within the corresponding jurisdiction equal or greater to the amount of parkland or recreation facilities lost as a result of implementation of the CBP facility.

The IEUA finds that, with implementation of these mitigation measures, project-related police protection and park/recreation impacts would be reduced to a less than significant impact level. The above measures can be implemented without causing additional adverse environmental impacts. The above measures will be integrated into the future development activities without additional impacts on the environment. Since the proposed project, as analyzed above, will not directly or indirectly cause a significant adverse impact to any public services with the implementation of mitigation, the proposed project is not forecast to contribute to cumulatively considerable public services.

14. Recreation

- a. **Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?**

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-449 to 4-450, FPEIR)

Facts: The nominal potential increase in potential new residents within the Chino Basin may contribute to a minimal increased demand for parks and recreation facilities. However, because the proposed project would not substantially increase the population within the Chino Basin area, the proposed project would not substantially increase use of existing neighborhood or regional parks or other recreational facilities.

The development of CBP facilities may be located within parks or facilities designated for parks and/or recreation use. Construction and staging areas within parks and/or recreation facilities at which CBP facilities may be installed may result in the temporary closure of such facilities or portions of such facilities. However, several park and recreation facilities in the Chino Basin area would be available for use. This increased use of other park and recreation facilities would be temporary, during construction only. Once construction is completed, park and recreation facilities would return to serve their original purpose, with only slightly less land area available for such uses. In addition to CBP facility development within existing park and recreation facilities, there is a potential for CBP facilities to be developed within a vacant site designated for park use, which would effectively minimize available designated parkland within the Chino Basin. As such, mitigation is required to ensure that, for CBP facilities located within vacant land designated for park and/or recreation facility use, or for CBP facilities larger than one acre in size within existing

park and/or recreation facilities, additional parkland is developed to supplement the loss of this parkland or recreation facility.

The significance determination was less than significant with the implementation of MM **PS-2** above, as this measure would minimize the potential for loss of park or recreational facilities as a result of CBP projects located within facilities designated for such uses. As such, impacts are less than significant.

- b. **Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?**

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-450, FPEIR)

Facts: The development of CBP facilities will not involve the construction or expansion of recreational facilities. There is a potential that a proposed CBP facility could be located within parks or facilities designated for such use. Depending on the area required for the given CBP facility, an individual project could result in the removal of all or a portion of a park or recreational facility. The removal of a facility could require the construction of new park or recreational facilities elsewhere to accommodate for the loss of the existing recreational facility. As such, mitigation is required to ensure that, should loss of recreation or park facilities occur, replacement occurs resulting in impacts to recreational facilities being minimized.

Implementation of MM **PS-2** above would minimize the potential for loss of park or recreational facilities as a result of CBP projects located within facilities designated for such uses. As such, impacts are less than significant. Implementation of MM **REC-1** would ensure that, should construction of recreation or park facilities be required as a part of the CBP, subsequent CEQA documentation will be prepared to ensure that impacts are appropriately assessed and avoided or mitigated. With implementation of this mitigation measure, the project-related recreation impacts would be reduced to a less than significant impact level.

Mitigation Measures

The IEUA has determined that the proposed project has a potential to impact recreation facilities through the increase the use of existing neighborhood and regional parks or other recreational facilities and may require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment. However, several mitigation measures were identified to minimize impacts to recreation/parks including those that would: minimize the potential for loss of park or recreational facilities as a result of CBP projects located within facilities designated for such uses; and, ensure that, should construction of recreation or park facilities be required as a part of the CBP, subsequent CEQA documentation will be prepared to ensure that impacts are appropriately assessed and avoided or mitigated, as demonstrated through the following mitigation measures:

MM **PS-2** under Public Services, above, is required to minimize impacts under recreation.

REC-1: *IEUA shall prepare subsequent CEQA documentation for any Parks or Recreation facilities required to be developed as part of implementation of mitigation measure PS 2—i.e., in the event a CBP Facility would be result in loss of parkland or recreation facilities.*

The IEUA finds that, with implementation of these mitigation measures, project-related recreation impacts would be reduced to a less than significant impact level. The above measures can be implemented without causing additional adverse environmental impacts. The above measures will be integrated into the future development activities without additional impacts on the environment. Since the proposed project as analyzed above will not directly or indirectly cause substantial adverse recreation impacts with implementation of mitigation, the proposed project is not forecast to contribute to cumulatively considerable recreation impacts.

17. Transportation

- a. **Would the project conflict with a program, plan, ordinance or policy addressing the circulation system, including transit, roadway, bicycle and pedestrian facilities?**

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-460 to 4-466, FPEIR)

Facts: The implementation of improvements proposed by the CBP could result in a conflict with the circulation system. Impacts during construction would vary based on the component being installed as well as the configuration of the circulation system surrounding each of the impacted rights-of-way (development footprint), such as the proximity of intersections and whether the right-of-way is a main thoroughfare. In addition, construction equipment and materials may be staged temporarily within the public right-of-way near construction areas, which may in turn impact transit stops, bicycle, and/or pedestrian facilities. Furthermore, construction activities associated with the water conveyance pipelines could also result in accidental damage to the existing roadway network, including pavement, curbs, gutters, sidewalks, and drainage structures. As a result, construction-related transportation circulation system impacts could be potentially significant. Implementation of MM **TRAN-1**, which includes development and implementation of a Construction Transportation Management Plan, would be required to reduce impacts to a less than significant level.

Project operations would not directly or indirectly induce population growth that could generate additional roadway, transit, bicycle, or pedestrian trips that could affect the circulation system, nor would the proposed project result in a substantial addition of employees related to the proposed facilities operation. As such, project operation would not conflict with adopted SCAG RTP/SCS, San Bernardino County Long Range Transit Plan, and general plans policies, plans, or programs regarding roadways, transit, bicycle, or pedestrian facilities, because the proposed project is a water utility project rather than a land use project that could affect regional land use and transportation patterns, transit use, or local transportation policy implementation. Additionally, the proposed project would not result in other long-term circulation effects such as vehicle queue exceeding available storage, transit services or facilities disruption, or a hazardous condition that currently does not exist for pedestrians and bicyclists. Therefore, operational transportation circulation system impacts would be less than significant.

- b. **Would the project conflict or be inconsistent with CEQA Guidelines section 15064.3, subdivision (b)?**

Finding: Less Than Significant Impact (pg. 4-466 to 4-467, FPEIR)

Facts: A VMT calculation is typically conducted on a daily or annual basis, for long-range planning purposes. Construction vehicles on local roadways would be temporarily

increased during project construction due to the presence of construction vehicles and equipment. Increases in VMT from construction would be short-term, minimal, and temporary. As such, VMT standards, which are intended to monitor and address long-term transportation system impacts resulting from future development, do not apply to temporary impacts associated with construction activities.

The proposed project would not cause substantial long-term/ongoing transportation effects, because proposed project facilities, once constructed, would only require maintenance activities similar to those that occur under existing conditions and the increase in employees due to the implementation of the proposed project is forecast to result in less than an estimated 15 new employees. The Governor's Office of Planning and Research Technical Advisory on Evaluating Transportation Impacts in CEQA (2018) states, "Projects that generate or attract fewer than 110 trips per day generally may be assumed to cause a less-than-significant VMT impact." The proposed project would generate less than 110 trips per day, which is the recommended screening threshold. Therefore, the proposed project would not result in a substantial addition of VMT per service population or induce additional roadway vehicle travel by increasing physical roadway capacity or adding new roadways to the network. Therefore, no construction or operational impact associated with VMT per CEQA Guidelines Section 15064.3 would occur.

- c. **Would the project substantially increase hazards due to a geometric design feature (e.g., sharp curves or dangerous inter- sections) or incompatible uses (e.g., farm equipment)?**

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-467 to 4-468, FPEIR)

Facts: During construction, the proposed project could temporarily change the built configuration of intersections and roadways within the project area. Implementation of existing regulations and policies for road closures and lane detours within the cities of Chino Hills, Chino, Montclair, Upland, Ontario, Rancho Cucamonga, Fontana, Eastvale, and Rialto, and San Bernardino County or along Caltrans facilities would reduce the potential for project construction to increase hazards in the project area. However, although construction of the CBP facilities could temporarily increase the type of vehicles (i.e., trucks) that could be incompatible with predominantly automobile vehicles on local roadways, the change to the mix of vehicles would stop when project construction is completed. The potential conflicts between construction trucks and automobiles on local roadways are considered a less than significant impact through implementation of MM **TRAN-1**.

The proposed project would not include alterations to existing roadway alignments or intersections in the project area, and therefore, would not include sharp curves or unsafe designs that would increase transportation-related hazards. The proposed facilities may include new driveway access points; however, design of such driveways would be required to comply with local codes and standards for ingress and egress for the cities of Chino Hills, Chino, Montclair, Upland, Ontario, Rancho Cucamonga, Fontana, Eastvale, and Rialto, and San Bernardino County. As such, the proposed project would not create a hazardous condition that currently does not exist for motorists, transit riders, pedestrians, or bicyclists nor would it include incompatible uses for the project area. Therefore, no operational impacts related to transportation hazards would occur.

The implementation of MM **TRAN-1** would reduce the project's contribution to potential construction traffic hazard impacts to less than significant. The above measure would reduce traffic hazards by requiring all construction activities to be conducted in accordance with an approved construction TMP. As a result, implementation of MM **TRAN-1** would reduce construction transportation circulation system impacts to a less-than-significant level.

d. Would the project result in inadequate emergency access?

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-468 to 4-470, FPEIR)

Facts: Project construction activities would have temporary effects on roadway vehicle flow and lane configurations at specific intersections and roadways due to potential lane and/or road closures, which would potentially impact emergency access and response times in the project area. Construction activities could also temporarily block access to some roadways and driveways that are currently used by emergency response vehicles or in emergency evacuations. Therefore, construction impacts related to emergency access would be potentially significant. Implementation of MMs **TRAN-1** and **WF-1**, which require implementation of transportation control measures and coordination with emergency response providers to minimize impacts to emergency access in the project area due to lane and/or road closures during project construction, would be required to reduce impacts to a less than significant level.

Operation of the proposed project would not block roadways or driveways, and emergency access to the proposed facilities, such as the advanced water purification facility, would be provided in accordance with applicable regulations, such as the California Fire Code, and submitted for review to the applicable local agency(ies). As such, the proposed project would provide at least two separate apparatus access roads for proposed facilities requiring regular employee presence with the fire apparatus access roads having a minimum width of 20 feet and a minimum turning radii of 25 feet inside and 45 feet outside. Therefore, operational impacts related to emergency access would be less than significant.

Mitigation Measures

The IEUA has determined that the proposed project may adversely impact the local circulation system during construction. Mitigation measures to reduce this impact to below a level of potential significance are provided below.

TRAN-1: Prepare and Implement Construction Transportation Management Plan

A construction Transportation Management Plan (TMP) shall be developed and implemented by IEUA in coordination with the respective jurisdictions, SBCTA, and/or other relevant parties during construction of the proposed project. The TMP shall conform to Caltrans' Transportation Management Plan Guidelines and shall include but is not limited to:

Construction Traffic Routes and Staging Locations: *The TMP shall identify construction staging site locations and potential road closures, alternate routes for detours, and planned truck routes for construction-related vehicle trips, including but not limited to haul trucks, material delivery trucks, and equipment delivery trucks. It shall also identify alternative safe routes and policies to maintain safety along bicycle and pedestrian routes during construction. Construction vehicle routes shall avoid local residential streets and avoid peak morning and evening commute hours to the maximum extent practicable. Staging locations, alternate detour routes, and construction vehicle routes shall*

avoid other active construction projects within 0.25 mile of the project construction sites to the maximum extent practicable.

Damage Repair: *The TMP shall include the following requirements to minimize damage to the existing roadway network:*

- *A list of precautionary measures to protect the existing roadway network, including but not limited to pavements, curbs, gutters, sidewalks, and drainage structures, shall be outlined. The construction contractor(s) shall be required to implement these measures throughout the duration of construction of the water conveyance pipelines.*
- *The roadway network along the proposed water distribution alignment(s) shall be surveyed prior to the start of project construction activities, and existing roadway conditions shall be summarized in a brief report.*
- *Any damage to the roadway network that occurs as a result of project construction activities shall be noted, and IEUA or its contractors shall repair all damage.*

Coordination with Emergency Services: *The TMP shall include requirements to notify local emergency response providers, including relevant police and sheriff departments, ambulance services, and paramedic services at least one week prior to the start of work within public rights-of-way if lane and/or road closures are required. To the extent practicable, the duration of disruptions/closures to roadways and critical access points for emergency services shall be minimized.*

Coordination with Active Transportation Facilities: *The TMP shall require coordination with owners/operators of any affected active transportation facilities to minimize the duration of disruptions/closures to bike paths, pedestrian trails, and adjacent access points.*

Coordination with SBCTA: *If the proposed project affects access to existing transit stops, the TMP shall also include temporary, alternative transit stops and directional signage, as determined in coordination with SBCTA and Metrolink.*

Coordination with Caltrans: *If the proposed project requires lane and/or road closures of State highways or State highway ramps, the TMP shall require coordination with Caltrans to ensure the TMP conforms with Caltrans' Transportation Management Plan Guidelines.*

Coordination with Nearby Construction Sites: *The TMP shall identify all active construction projects within 0.25 mile of project construction sites and require coordination with the applicants and/or contractors of these projects during all phases of construction regarding the following:*

- *All temporary lane and/or roadway closures shall be coordinated to limit overlap of roadway closures*
- *All major deliveries and haul truck trips shall be coordinated to limit the occurrence of simultaneous deliveries and haul truck trips*
- *IEUA, its contractor(s), or its representative(s) shall meet on a regular basis with the applicant(s), contractor(s) or their representative(s) of active construction projects within 0.25 mile of the project construction sites during construction to address any outstanding issues related to construction vehicles.*

Transportation Control and Safety: *The TMP shall provide for roadway vehicle control measures including flag persons, warning signs, lights, barricades, cones, and/or detour routes to provide safe passage of vehicular, bicycle, and pedestrian circulation and access by emergency responders.*

Plan Approval: *The TMP shall be submitted to SBCTA and the respective city community development departments for review and approval.*

WF-1: *Prior to initiating construction of proposed facilities within public rights-of-way (ROW), IEUA shall prepare and implement a Traffic Control Plan that contains comprehensive strategies for maintaining emergency access during construction. Strategies shall include, but are not limited to, maintaining steel trench plates at the construction sites to restore access across open trenches, flag persons and related assets to manage the flow of traffic, and identification of alternate routing around construction zones, where necessary. In addition, police, fire, and other emergency service providers (local agencies, Caltrans, and other service providers) shall be notified of the timing, location, and duration of the construction activities and the location of detours and lane closures. IEUA shall ensure that the Traffic Control Plan and other construction activities are consistent with*

the San Bernardino County Operational Area Emergency Response Plan, and are reviewed and approved by the local agency with authority over construction within the public ROW.

The IEUA finds that implementation of the above measures would reduce potential adverse impacts to circulation and emergency access during construction and operation of the proposed roadway extension to a less than significant level. The above measures can be implemented without causing additional adverse environmental impacts. The above measures will be integrated into the future development activities without additional impacts on the environment. Since the proposed project as analyzed above will not directly or indirectly cause significant circulation system impacts or significant conflicts with emergency access or evacuations with implementation of mitigation, the proposed project is not forecast to contribute to cumulatively considerable transportation system impacts.

18. Tribal Cultural Resources

- a. Would the project cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American Tribe, and that is listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code section 5020.1(k)?

or

- b. Would the project cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American Tribe, and that is a resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1? In applying the criteria set forth in subdivision (c) of Public Resources Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe.

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-475 to 4-479, FPEIR)

Facts: The Gabrieleño Band of Mission Indians - Kizh Nation, Morongo Band of Mission Indians, and San Manuel Band of Mission Indians were contacted by IEUA under AB 52. The San Manuel Band of Mission Indians requested participation with the CBP CEQA process, and future projects implemented under the CBP during the AB 52 consultation period. The Gabrieleño Band of Mission Indians - Kizh Nation contacted IEUA outside of the consultation window on November 1, 2021, during the public comment period after the CBP DPEIR was published on October 28, 2021. IEUA, in a good faith partnership with the Gabrieleño Band of Mission Indians - Kizh Nation, elected to move forward with honoring the Gabrieleño Band of Mission Indians - Kizh Nation's request for its inclusion in the tribal consultation process due to the potential for encountering tribal cultural resources within the project area.

The San Manuel Band of Mission Indians expressed the following concerns: accidental exposure of subsurface cultural resources and proper management of such resources; concerns over exposure of human remains and proper management; and presence of Native American monitors during future ground disturbing activities. Through incorporation of mitigation measures provided below, IEUA concludes that the requests of the tribe will be met under the CBP umbrella.

The CBP DPEIR Tribal Cultural Resources Subchapter (4.19) provided three mitigation measures intended to be implemented as a hierarchy that would parallel the level of interest the San Manuel Band of Mission Indians would be anticipated to express given the extent of ground disturbance that exists at a given future CBP site. Given that IEUA now has two tribes interested in consulting on future CBP projects to determine whether significant tribal cultural resources are anticipated to exist at a given CBP site, IEUA modified the existing mitigation measures to ensure that the concerns expressed by both tribes are adequately addressed and impacts to tribal cultural resources would be fully mitigated.

As indicated above, the mitigation measures have been developed to implement as a hierarchy, with MM **TCR-1** being the first level of mitigation implementation for projects that would be located within existing disturbed facilities; MM **TCR-2** being the second level requiring notification of the San Manuel Band of Mission Indians and Gabrieleño Band of Mission Indians - Kizh Nation to determine whether the tribes would like to consult, and also stipulates the procedures to follow should more than one tribe request to consult, including creation of a mutually agreeable Treatment Plan should both tribes request to consult on a project; and MM **TCR-3** being the third level to be implemented requiring archaeological monitoring and testing, treatment of cultural resources, and inadvertent discoveries of human remains and/or funerary objects when the San Manuel Band of Mission Indians are the only tribe to request consultation on a given CBP project, and retention of a Native American Monitor prior to commencement of ground disturbing activities, unanticipated discovery of human remains and associated funerary objects, and procedures for burials and funerary remains when the Gabrieleño Band of Mission Indians - Kizh Nation are the only tribe to request consultation on a given CBP project. Thus, with implementation of mitigation to protect tribal cultural resources, the project would not cause significant unavoidable adverse impacts to tribal cultural resources.

Mitigation Measures

IEUA has determined that the proposed project could have a potentially significant impact on unknown subsurface tribal cultural resources. Mitigation measures to reduce the impact to below a level of potential significance are provided below.

TCR-1: *Where a future discretionary project requiring additional CEQA review occurs within an existing facility that has been totally disturbed due to it undergoing past engineered site preparation (such as a well site, water treatment facility, or wastewater treatment plant site), IEUA shall notify the San Manuel Band of Mission Indians and Gabrieleño Band of Mission Indians – Kizh Nation, but will point out that the project falls under the CBP evaluation and that the site is fully developed. No further cultural resources or TCR investigation will be conducted unless a Tribe identifies specific TCR resources/values at such site(s).*

TCR-2: *Where a future discretionary project requiring additional CEQA review occurs at an undisturbed site, IEUA shall notify the San Manuel Band of Mission Indians (SMBMI) and Gabrieleño Band of Mission Indians – Kizh Nation to provide the Tribes with an opportunity to consult on the project.*

If the AB 52 consultation results in a request to consult from one or more Tribe, and this request results in more than one Tribe requesting field monitoring or archaeological monitoring and testing, then IEUA, in partnership with qualified historical/archeological professional and/or in partnership with the State Historic Preservation Office Tribal Liaison (reachable at tribalaffairs@parks.ca.gov), shall work with the Tribes to determine which entity is more culturally affiliated with the specific CBP site, and thus which entity will monitor the site, as only a single Tribe's monitor(s) shall be

funded in the monitoring effort. Each of the Tribes shall be informed in the case of inadvertent discovery, and shall be contacted, and provided information regarding the nature of the find, so as to enable Tribal input in regards to significance and treatment. IEUA and Agency partners shall consult with the Tribes in a collaborative manner in order to create a Treatment Plan that is agreeable to both of the Tribes, or in the event that the discovery clearly pertains to one specific Tribe, IEUA shall collaborate with that Tribe to create a Treatment Plan that is agreeable to the specific Tribe. The Treatment Plan ultimately agreed upon shall be enforced as mitigation applicable to the specific project for which it is created. The Treatment Plan shall include enforceable mitigation measures that shall include components, such as: archaeological monitoring, actions that shall be taken should tribal cultural resources be discovered, treatment of resources should they be discovered, preservation actions for discovered resources, procedures for funerary objects and human remains, etc.

Where SMBMI is the only Tribe that expresses an interest in consulting on a future CBP project the provisions of CUL-2 through CUL-4, as well as TCR-3 PART A shall then be followed through.

Where the Gabrieleño Band of Mission Indians – Kizh Nation is the only Tribe that expresses an interest in consulting on a project, the provisions of TCR-3 PART B shall then be followed through.

TCR-3: PART A

Following the provisions of TRC-2, above, if the San Manuel Band of Mission Indians (SMBMI) are the only tribe that requests to consult on a given CBP project, the terms of the Mitigation Measures provided by the Tribe shall be applied to the project, where applicable, and as follows:

SM-CUL-1

Archaeological Monitoring and Testing

At least one archaeologist with at least 3 years of regional experience in archaeology and a Tribal monitor representing the San Manuel Band of Mission Indians shall conduct subsurface archaeological testing on the project site via the employ of a number of subsurface investigative methods, including shovel test probes, remote sensing, and/or deep testing via controlled units or trenching of appropriate landscapes, with a sample size of at least 25% of the area of concern dug and dry-sifted through 1/8-inch mesh screens, prior to any ground-disturbing activity. A Testing Plan shall be created by the archaeologist and submitted to the SMBMI and IEUA for review at least 10 business days prior to implementation, so as to provide time to review/modify the Plan, if needed. The Plan shall outline the protocol of presence/absence testing and contain a Treatment Plan detailing that 1) no collection of artifacts or excavation of features shall occur during testing, and 2) all discovered resources shall be properly recorded and reburied in situ.

If the results of testing, as approved by SMBMI, are positive, then SMBMI and IEUA shall, in good faith, consult concerning appropriate treatment of the finding(s), guidance for which is outlined in SM-TCR-1.

If the results of testing, as approved by SMBMI, are negative, then SMBMI will conclude consultation unless any discoveries are made during project implementation. Any and all discoveries made during project implementation shall be subject to the Treatment Plan outlined within the Testing Plan developed as described above and the guidelines contained in SM-TCR-1.

If resources are identified during testing as described above, an archaeological monitor and a Tribal monitor from SMBMI with at least 3 years of regional experience in archaeology shall be present for all ground-disturbing activities that occur within the proposed project area (which includes, but is not limited to, tree/shrub removal and planting, clearing/grubbing, grading, excavation, trenching, compaction, fence/gate removal and installation, drainage and irrigation removal and installation, hardscape installation [benches, signage, boulders, walls, seat walls, fountains, etc.], and archaeological work). A sufficient number of monitors shall be present each work day to ensure that simultaneously occurring ground disturbing activities receive thorough levels of monitoring coverage. A Monitoring and Treatment Plan that is reflective of the project mitigation ("Cultural Resources" and "Tribal Cultural Resources") shall be completed by the archaeologist and submitted to the IEUA for dissemination to the SMBMI. Once all parties review and approve the plan, it shall be adopted by the IEUA – the plan must be adopted prior to permitting for the project. Any and all findings will be subject to the protocol detailed within the Monitoring and Treatment Plan.

SM-TCR-1**Treatment of Cultural Resources**

If a pre-contact cultural resource is discovered during archaeological presence/absence testing, the discovery shall be properly recorded and then reburied in situ. A research design shall be developed by the archaeologist that shall include a plan to evaluate the resource for significance under CEQA criteria. Representatives from the San Manuel Band of Mission Indians Cultural Resources Department (SMBMI), the archaeologist, and the IEUA shall confer regarding the research design, as well as any testing efforts needed to delineate the resource boundary. Following the completion of evaluation efforts, all parties shall confer regarding the archaeological significance of the resource, its potential as a Tribal Cultural Resource (TCR), avoidance (or other appropriate treatment) of the discovered resource, and the potential need for construction monitoring during project implementation. Should any significant resource and/or TCR not be a candidate for avoidance or preservation in place, and the removal of the resource(s) is necessary to mitigate impacts, the research design shall include a comprehensive discussion of sampling strategies, resource processing, analysis, and reporting protocols/obligations. Removal of any cultural resource(s) shall be conducted with the presence of a Tribal monitor representing the Tribe, unless otherwise decided by SMBMI. All plans for analysis shall be reviewed and approved by IEUA and SMBMI prior to implementation, and all removed material shall be temporarily curated on-site. It is the preference of SMBMI that removed cultural material be reburied as close to the original find location as possible. However, should reburial within/near the original find location during project implementation not be feasible, then a reburial location for future reburial shall be decided upon by SMBMI and the IEUA, and all finds shall be reburied within this location. Additionally, in this case, reburial shall not occur until all ground-disturbing activities associated with the project have been completed, all monitoring has ceased, all cataloguing and basic recordation of cultural resources have been completed, and a final monitoring report has been issued to IEUA, CHRIS, and SMBMI. All reburials are subject to a reburial agreement that shall be developed between the landowner and SMBMI outlining the determined reburial process/location, and shall include measures and provisions to protect the reburial area from any future impacts (vis a vis project plans, conservation/preservation easements, etc.).

Should it occur that avoidance, preservation in place, and on-site reburial are not an option for treatment, the landowner shall relinquish all ownership and rights to this material and confer with SMBMI to identify an American Association of Museums-accredited facility within the County that can accession the materials into their permanent collections and provide for the proper care of these objects in accordance with the 1993 CA Curation Guidelines. A curation agreement with an appropriate qualified repository shall be developed between the landowner and museum that legally and physically transfers the collections and associated records to the facility. This agreement shall stipulate the payment of fees necessary for permanent curation of the collections and associated records and the obligation of the Lead Agency/Developing Agency to pay for those fees.

All draft records/reports containing the significance and treatment findings and data recovery results shall be prepared by the archaeologist and submitted to the IEUA and SMBMI for their review and comment. After approval from all parties, the final reports and site/isolate records are to be submitted to the local CHRIS Information Center, the IEUA, and SMBMI.

SM-TCR-2**Inadvertent Discoveries of Human Remains/Funerary Objects**

In the event that any human remains are discovered within the project area, ground disturbing activities shall be suspended 100 feet around the resource(s) and an Environmentally Sensitive Area (ESA) physical demarcation/barrier constructed. The on-site lead/foreman shall then immediately notify SMBMI and the IEUA. The IEUA shall then immediately contact the County Coroner regarding the discovery. If the Coroner recognizes the human remains to be those of a Native American, or has reason to believe that they are those of a Native American, the Coroner shall ensure that notification is provided to the NAHC within twenty-four (24) hours of the determination, as required by California Health and Safety Code § 7050.5 (c). The NAHC-identified Most Likely Descendant (MLD), shall be allowed, under California Public Resources Code § 5097.98 (a), to (1) inspect the site of the discovery and (2) make determinations as to how the human remains and funerary objects shall be treated and disposed of with appropriate dignity. The MLD, and IEUA to discuss in good faith what constitutes "appropriate dignity" as that term is used in the applicable statutes. The MLD

shall complete its inspection and make recommendations within forty-eight (48) hours of the site visit, as required by California Public Resources Code § 5097.98.

Reburial of human remains and/or funerary objects (those artifacts associated with any human remains or funerary rites) shall be accomplished in compliance with the California Public Resources Code § 5097.98 (a) and (b). The MLD in consultation with the landowner, shall make the final discretionary determination regarding the appropriate disposition and treatment of human remains and funerary objects. All parties are aware that the MLD may wish to rebury the human remains and associated funerary objects on or near the site of their discovery, in an area that shall not be subject to future subsurface disturbances. The IEUA should accommodate on-site reburial in a location mutually agreed upon by the Parties.

It is understood by all Parties that unless otherwise required by law, the site of any reburial of Native American human remains or cultural artifacts shall not be disclosed and shall not be governed by public disclosure requirements of the California Public Records Act. The Coroner, parties, and IEUA, will be asked to withhold public disclosure information related to such reburial, pursuant to the specific exemption set forth in California Government Code § 6254 (r).

PART B

Following the provisions of TRC-2, above, if the Gabrieleño Band of Mission Indians – Kizh Nation are the only tribe that requests to consult on a given CBP project, the terms of the Mitigation Measures provided by the Tribe shall be applied to the project, where applicable, and as follows:

G-TCR-1: Retain a Native American Monitor Prior to Commencement of Ground-Disturbing Activities

- A. The IEUA shall retain a Native American Monitor from or approved by the Gabrieleño Band of Mission Indians - Kizh Nation. The monitor shall be retained pursuant to the provisions in CBP MMs TRC-1 and TRC-2 above. The Native American Monitor shall be retained for the applicable CBP project site during ground disturbing activity. "Ground-disturbing activity" shall include, but is not limited to, demolition, pavement removal, potholing, auguring, grubbing, tree removal, boring, grading, excavation, drilling, and trenching.*
- B. A copy of the executed monitoring agreement shall be submitted to IEUA prior to the earlier of the commencement of any ground-disturbing activity, or the issuance of any permit necessary to commence a ground-disturbing activity.*
- C. The monitor will complete daily monitoring logs that will provide descriptions of the relevant ground-disturbing activities, the type of construction activities performed, locations of ground-disturbing activities, soil types, cultural-related materials, and any other facts, conditions, materials, or discoveries of significance to the Tribe. Monitor logs will identify and describe any discovered TCRs, including but not limited to, Native American cultural and historical artifacts, remains, places of significance, etc., (collectively, tribal cultural resources, or "TCR"), as well as any discovered Native American (ancestral) human remains and burial goods. Copies of monitor logs will be provided to the IEUA upon written request to the Tribe.*
- D. On-site tribal monitoring shall conclude upon the latter of the following (1) written confirmation to the Kizh from a designated point of contact for the IEUA that all ground-disturbing activities and phases that may involve ground-disturbing activities on the project site or in connection with the project are complete; or (2) a determination and written notification by the Kizh to the IEUA that no future, planned construction activity and/or development/construction phase at the project site possesses the potential to impact Kizh TCRs.*
- E. Upon discovery of any TCRs, all construction activities in the immediate vicinity of the discovery shall cease (i.e., not less than the surrounding 50 feet) and shall not resume until the discovered TCR has been fully assessed by the Kizh monitor and/or Kizh archaeologist. The Kizh will recover and retain all discovered TCRs in the form and/or manner the Tribe deems appropriate, in the including for educational, cultural and/or historic purposes.*

G-TCR-2: Unanticipated Discovery of Human Remains and Associated Funerary Objects

- A. Native American human remains are defined in Public Resources Code Section 5097.98 (d)(1) as an inhumation or cremation, and in any state of decomposition or skeletal completeness.*

Funerary objects, called associated grave goods in Public Resources Code Section 5097.98, are also to be treated according to this statute.

- B. If Native American human remains and/or grave goods are discovered or recognized on the project site, then all construction activities shall immediately cease. Health and Safety Code Section 7050.5 dictates that any discoveries of human skeletal material shall be immediately reported to the County Coroner and all ground-disturbing activities shall immediately halt and shall remain halted until the coroner has determined the nature of the remains. If the coroner recognizes the human remains to be those of a Native American or has reason to believe they are Native American, he or she shall contact, by telephone within 24 hours, the Native American Heritage Commission, and Public Resources Code Section 5097.98 shall be followed.*
- C. Human remains and grave/burial goods shall be treated alike per California Public Resources Code section 5097.98(d)(1) and (2).*
- D. Construction activities may resume in other parts of the project site at a minimum of 200 feet away from discovered human remains and/or burial goods, if the Kizh determines in its sole discretion that resuming construction activities at that distance is acceptable and provides the project manager express consent of that determination (along with any other mitigation measures the Kizh monitor and/or archaeologist deems necessary). (CEQA Guidelines Section 15064.5(f).)*
- E. Preservation in place (i.e., avoidance) is the preferred manner of treatment for discovered human remains and/or burial goods. Any historic archaeological material that is not Native American in origin (non-TCR) shall be curated at a public, non-profit institution with a research interest in the materials, such as the Natural History Museum of Los Angeles County or the Fowler Museum, if such an institution agrees to accept the material. If no institution accepts the archaeological material, it shall be offered to a local school or historical society in the area for educational purposes.*
- F. Any discovery of human remains/burial goods shall be kept confidential to prevent further disturbance.*

G-TCR-3: Procedures for Burials and Funerary Remains:

- A. As the Most Likely Descendant (MLD), the Koo-nas-gna Burial Policy shall be implemented. To the Tribe, the term "human remains" encompasses more than human bones. In ancient times, as well as historic times, Tribal Traditions included, but were not limited to, the preparation of the soil for burial, the burial of funerary objects with the deceased, and the ceremonial burning of human remains.*
- B. If the discovery of human remains includes four or more burials, the discovery location shall be treated as a cemetery and a separate treatment plan shall be created.*
- C. The prepared soil and cremation soils are to be treated in the same manner as bone fragments that remain intact. Associated funerary objects are objects that, as part of the death rite or ceremony of a culture, are reasonably believed to have been placed with individual human remains either at the time of death or later; other items made exclusively for burial purposes or to contain human remains can also be considered as associated funerary objects. Cremations will either be removed in bulk or by means as necessary to ensure complete recovery of all sacred materials.*
- D. In the case where discovered human remains cannot be fully documented and recovered on the same day, the remains will be covered with muslin cloth and a steel plate that can be moved by heavy equipment placed over the excavation opening to protect the remains. If this type of steel plate is not available, a 24-hour guard should be posted outside of working hours. The Tribe will make every effort to recommend diverting the project and keeping the remains in situ and protected. If the project cannot be diverted, it may be determined that burials will be removed.*
- E. In the event preservation in place is not possible despite good faith efforts by the project applicant/developer and/or landowner, before ground-disturbing activities may resume on the*

project site, the landowner shall arrange a designated site location within the footprint of the project for the respectful reburial of the human remains and/or ceremonial objects.

Each occurrence of human remains and associated funerary objects will be stored using opaque cloth bags. All human remains, funerary objects, sacred objects and objects of cultural patrimony will be removed to a secure container on site if possible. These items should be retained and reburied within six months of recovery. The site of reburial/repatriation shall be on the project site but at a location agreed upon between the Tribe and the landowner at a site to be protected in perpetuity. There shall be no publicity regarding any cultural materials recovered.

The Tribe will work closely with the project's qualified archaeologist to ensure that the excavation is treated carefully, ethically and respectfully. If data recovery is approved by the Tribe, documentation shall be prepared and shall include (at a minimum) detailed descriptive notes and sketches. All data recovery data recovery-related forms of documentation shall be approved in advance by the Tribe. If any data recovery is performed, once complete, a final report shall be submitted to the Tribe and the NAHC. The Tribe does NOT authorize any scientific study or the utilization of any invasive and/or destructive diagnostics on human remains.

IEUA finds that implementation of the above measures would reduce potential impacts to unknown subsurface tribal cultural resources to a less than significant impact level. The above measures can be implemented without causing additional adverse environmental impacts. The above measures will be integrated into the future development activities without additional impacts on the environment. Since the proposed project as analyzed above will not directly or indirectly cause significant adverse tribal cultural resource impact with implementation of mitigation, the proposed project is not forecast to contribute to cumulatively considerable tribal cultural resource impacts required to support the proposed project.

19. Utilities and Service Systems: Impacts under Utilities and Service Systems, checklist question "a" are significant and cannot be mitigated below significance level. The discussion of this specific issue under Utilities and Service Systems is located below in Section F of this document. The checklist questions under Utilities and Service Systems that can be mitigated to a level of less than significant are as follows:

b) **Would the project have sufficient water supplies available to serve the project and reasonably foreseeable future development during normal, dry and multiple dry years?**

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-507 to 4-512, FPEIR)

Facts: Implementation of the CBP requires mitigation to ensure adequate management of the Chino Basin as the individual CBP facilities are developed. This includes mitigation that addresses pumping sustainability, hydraulic control, and reduction in net recharge, which could, without mitigation, result in variability in available supply to Chino Basin stakeholders.

The Watermaster will review IEUA's Storage and Recovery Program application and gathers the appropriate data to (1) determine whether future CBP projects would result in loss of pumping sustainability, result in potential reduction in net recharge and impacts to Safe Yield, and/or result in new subsidence, and (2) respond with appropriate mitigation to minimize the potential adverse hydrological impacts that may occur from a project. Additionally, IEUA will adhere to the plan of response prepared by the Watermaster should the Basin conditions vary from the projections that have been modeled as part of the CBP (and all supporting documentation). The mitigation provided above under Subchapter 4.11, Hydrology and Water Quality, question (b), would enable the Watermaster to maintain sustainable management of

the Basin, and thereby maintain sufficient water supply allocated to the Parties for the foreseeable future.

Ultimately, the project would have a less than significant potential to have sufficient water supplies available to serve the project and reasonably foreseeable future development during normal, dry and multiple dry years, once mitigation is implemented. Mitigation measures **HYD-1, HYD-2, HYD-3, HYD-4, HYD-5, HYD-6, and HYD-7** are required to minimize impacts related to pumping sustainability, net recharge and safe yield, hydraulic control, and overall basin management. With the implementation of mitigation that would ensure sustainable management of the Basin, impacts under this issue would be less than significant.

- c) **Would the project result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?**

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-512 to 4-515, FPEIR)

Facts: Wastewater generated during construction of the proposed CBP facilities would be minimal, consisting of portable toilet waste generated by construction workers and therefore would not substantially impact wastewater treatment capacity. All conveyance systems, wells, and ancillary facilities would not generate wastewater during their operation.

The proposed AWPf at RP-4 would constitute another form of treatment to IEUA and other agency recycled water. As with the AWPf, wellhead treatment facilities could create a new sources of brine waste generated by water treatment that would require treatment by the applicable wastewater treatment provider. Brine from the AWPf at RP-4 would be conveyed through a 1,400-foot 8-inch HDPE brine line using residual pressure from the RO system. The new brine line would exit the southeast side of the AWPf and connect to existing manhole EINL- 008 on the NRWS pipeline, located on Etiwanda Avenue between Wells Street and 6th Street. It has been verified that the existing NRWS infrastructure would be able to accommodate the brine stream at the point of connection and downstream. The AWPf would contribute an additional anticipated 1,027,300 gpd to the NRWS. The NRWS capacity is 4.6 MGD leaving more than three quarters of the system's capacity available for use by other entities in the region should brine disposal be required.

Additionally, a new 6,800-foot 8-inch HDPE brine line is anticipated to connect to the IEBL, with a possibility for jack and bore to be required in order to install this section of pipeline. It has been verified that the existing IEBL infrastructure would be able to accommodate the brine stream at the point of connection and downstream. The three wellhead-treatment system(s) would contribute an additional anticipated 4,900 gpd per facility to the IEUA. The NRWS capacity is 1.9 MGD leaving a vast majority of the system's capacity available for use by other entities in the region should brine disposal be required.

Should the IEUA require greater capacity of the brine disposal facilities than is presently available, it would not be possible to determine whether these facilities would require OCSD (or another agency responsible for treating brine waste) to

expand the capacity of its treatment plant to accommodate the additional brine waste generated by the CBP facilities. As such, MM **UTIL-4**, which requires subsequent CEQA documentation to be prepared for certain projects, is required to minimize potential impacts to a level of insignificance. Implementation of MM **UTIL-4** is sufficient to reduce the potential for impacts related to capacity of area wastewater treatment plants to below significance thresholds, as it would ensure that subsequent CEQA documentation is required where the overall CBP would require greater brine conveyance capacity than area brine disposal facilities can accommodate.

- d) **Would the project generate solid waste in excess of State or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals?**

Finding: Less Than Significant With Mitigation Incorporated (pg. 4-515 to 4-517 FPEIR)

Facts: The development of CBP facilities is not anticipated to result in generation of solid waste in excess of the capacities of local infrastructure. Each of the CBP facilities would include the preparation of a construction and demolition solid waste management plan as required by San Bernardino County or Riverside County for all new construction projects. Information provided in this waste management plan would include how the waste would be managed, hauler identification, and anticipated material wastes. Each plan would demonstrate a minimum of 50 percent diversion of construction building materials and demolition debris from landfills through reuse or recycling, which is required by AB 939.

Implementation of mitigation measure **UTIL-5** will ensure that construction and demolition materials that are salvageable are recycled, and thereby diverted from the local landfill, which will minimize the potential for CBP projects to generate waste in excess of local landfill capacities. Similarly, MM **UTIL-6** will ensure that soils that would generally be exported from a given construction site are salvaged where possible for recycling and ultimately reuse, thereby diverting this waste stream from the local landfill. This too will minimize the potential for CBP projects to generate waste in excess of local landfill capacities.

Ultimately, with the implementation of these mitigation measures, the CBP would have a less than significant potential to generate solid waste in excess of State or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals.

- e) **Would the project comply with federal, state, and local management and reduction statutes and regulations related to solid waste?**

Finding: Less Than Significant With Mitigation Incorporated (pg. 296, FPEIR)

Facts: Implementation of proposed CBP facilities would comply with all applicable city, county, and State construction and demolition requirements during construction of the proposed facilities. All excavated soil would be hauled offsite by truck to an appropriately permitted solid waste facility. The daily amount of soil to be disposed per day would not exceed the maximum permitted throughput for each waste type (i.e., non-hazardous and hazardous). Any hazardous materials collected on a given CBP project site during either construction or operation will be transported and disposed of by a permitted and licensed hazardous materials service provider. CBP projects would be required, through the implementation of MM **UTIL-5** to recycle

construction and demolition materials beyond the mandated 50 percent diversion required by AB 939. Furthermore, MM **UTIL-6** would require further diversion through the recycling of soils where possible for future CBP projects. The proposed development of wells would comply all federal, State, and local statutes related to solid waste disposal. Therefore, the proposed CBP would result in less than significant construction impacts with the implementation of mitigation.

The cities and/or county in which a given project would be located are required to comply with the California Integrated Waste Management Act of 1989, requiring diversion of solid waste from landfills through reuse and recycling. Facilities proposed as part of the CBP would be required to recycle as part of the projects' operational activities. Additionally, any hazardous materials collected on the project site during either construction or operation of future development within the CBP would be transported and disposed of by a permitted and licensed hazardous materials service provider. This is a mandatory requirement; compliance does not require mitigation. As such, the proposed CBP facilities would comply with federal, State, and local management and reduction statutes and regulations related to solid waste. Impacts are less than significant.

Mitigation Measures

IEUA has determined that the proposed project could have a potentially significant impact on utilities and service systems checklist items "b," "c," "d," and "e." Mitigation measures to reduce the impact to below a level of potential significance are provided below.

- UTIL-1:** ***Implementation of a Drainage Plan to Reduce Downstream Flows.** Prior to issuance of permits for construction of project facilities, IEUA shall prepare a drainage plan that includes design features to reduce stormwater peak concentration flows exiting the above ground facility sites (consistent with MS4 requirements) so that the capacities of the existing downstream drainage facilities are not exceeded. These design features could include bio-retention, sand infiltration, return of stormwater for treatment within the treatment plant, and/or detention facilities*
- UTIL-2:** ***For future CBP projects that do not have access to electrical or natural gas connections in the immediate vicinity (defined here as a 1,000-foot buffer from a given project site), and will require either extension of infrastructure or creation of new infrastructure to meet electricity and/or natural gas needs at a future CBP facility site, subsequent CEQA documentation shall be prepared that fully analyzes the impacts that would result from extension or development of electrical or natural gas infrastructure.***
- UTIL-3:** ***For future CBP projects that do not have access to telecommunication connections in the immediate vicinity (defined here as a 1,000-foot buffer from a given project site), and will require either extension of infrastructure or creation of new infrastructure to meet telecommunication needs at a future CBP facility site, subsequent CEQA documentation shall be prepared that fully analyzes the impacts that would result from extension or development of electrical or natural gas infrastructure.***
- UTIL-4:** ***Should the agencies operating the brine disposal systems (Orange County Sanitation District [OCSD] and Los Angeles County Sanitation District [LACSD]) determine that the capacity requested on behalf of CBP operations is greater than that which can be accommodated with existing treatment capacities, subsequent CEQA documentation addressing the required facility expansions shall be prepared. I.e., should the CBP require access to greater capacity from an existing brine disposal system (including the IEBL, the NRWS, or the Etiwanda Wastewater Line [EWL]) beyond that which can be accommodated by existing facilities—excluding pipeline connections required to connect CBP facilities to these brine disposal systems (such as the 8,200 LF proposed to be installed as part of the CBP)—subsequent CEQA documentation shall be prepared.***
- UTIL-5:** ***The contract with demolition and construction contractors for a given CBP project shall include the requirement that all materials that can feasibly be recycled shall be salvaged and recycled. This***

includes but is not limited to wood, metals, concrete, road base and asphalt. The contractors for a given CBP project shall submit a recycling plan to IEUA for review and approval prior to issuance of permits for the construction of demolition/construction activities.

- UTIL-6:** *The contract with demolition and construction contractors for a given CBP project shall include the requirement that all soils that are planned to be exported from the site that can be recycled shall be recycled for re-use; alternatively, soils shall be reused on site to balance soil import/export.*
- HYD-1:** *Watermaster shall review the IEUA's Storage and Recovery Program application for the CBP and estimate the surface and ground water systems' response (estimate the potential for new pumping sustainability challenges). Watermaster shall then prepare a report that describes the response and potential Material Physical Injury (MPI) to the Chino Basin and shall develop mitigation requirements pursuant to MM HYD-2 to mitigate MPI caused by the CBP. The IEUA shall develop mitigation measures pursuant to these requirements established by the Watermaster; these measures shall be incorporated into its Storage and Recovery Program application. Upon approval by Watermaster, these mitigation measures shall be incorporated into the CBP storage agreement.*
- HYD-2:** *To mitigate MPI caused by the IEUA's proposed Storage and Recovery Program application (as described above under HYD-1), the data gathered through Watermaster's comprehensive groundwater-level monitoring shall be used to identify potential impacts on pumping sustainability and to develop mitigation requirements to mitigate for these impacts. Potential mitigation includes, but is not limited to: (1) modifying the PUT operations and/or TAKE cycles to minimize impacts to pumping sustainability, (2) strategically increasing supplemental water recharge to mitigate loss of pumping sustainability, (3) modifying a party's affected well (lowering pump bowls), (4) providing an alternate supply to the affected party to ensure it can meet its demands, (5) a combination of (1) through (4), and (6) the implementation of a monitoring program to verify the effectiveness of the mitigation actions.*
- HYD-5:** *Watermaster shall estimate the reduction in net recharge and Safe Yield for the CBP and deduct it from water stored in the CBP storage account, which will compensate for its impact on net recharge and Safe Yield. Watermaster shall review these impacts and develop mitigation requirements for the CBP. The IEUA shall develop mitigation measures pursuant to the requirements suggested in MM HYD-6 and established by Watermaster; these measures shall be incorporated into the IEUA's Storage and Recovery Program application. Upon approval by Watermaster, these mitigation measures shall be incorporated into the CBP storage agreement.*
- HYD-6:** *To mitigate reduction in net recharge and Safe Yield caused by the CBP (as described above under HYD-5), the Watermaster's comprehensive monitoring and modeling that estimates net recharge of the Chino Basin shall be used to identify potential and actual losses of net recharge and to develop mitigation requirements to mitigate impacts thereof. Potential mitigation includes, but is not limited to: (1) modifying the PUT operations and/or TAKE cycles to minimize reductions in net recharge, (2) deducting the reduction in net recharge from the IEUA's Storage and Recovery account, (3) recharge additional water to mitigate reductions in net recharge, (4) construct facilities in the southern part of the Basin to eliminate the reduction of net recharge due the CBP, (5) a combination of (1) through (4), and (6) the implementation of a monitoring program to verify the effectiveness of the mitigation actions.*
- HYD-7:** *Watermaster shall periodically review current and projected Basin conditions and shall compare this information to the projected Basin conditions assumed in the evaluation of the CBP Storage and Recovery Program application process, compare the projected CBP operations to actual operations. The Watermaster shall then make findings regarding the efficacy of the mitigation program and requirements required herein and by the CBP storage agreement. Based on Watermaster's review and subsequent findings, where applicable, Watermaster shall require changes and/or modifications in the CBP storage agreement that will adequately mitigate MPI and related adverse impacts including but not limited to pumping sustainability, net recharge and safe yield, subsidence, hydraulic control, and groundwater quality.*
- HYD-8:** *Prior to the commencement of construction of any CBP project that will disturb less than one acre (i.e., that is not subject to the California Construction Stormwater General Permit), IEUA shall require implementation of and construction contractor(s) shall select best management practices (BMPs) to achieve a reduction in pollutants from stormwater discharge to the maximum extent practicable during the construction of each CBP facility, and to control urban runoff after each CBP facility is*

constructed and is in operation. Examples of BMP(s) that would achieve a reduction in pollutants include, but are not limited to:

- *The use of silt fences or coir rolls;*
- *The use of temporary stormwater desilting or retention basins;*
- *The use of water bars to reduce the velocity of stormwater runoff;*
- *The use of wheel washers on construction equipment leaving the site;*
- *The washing of silt from public roads at the access point to the site to prevent the tracking of silt and other pollutants from the site onto public roads;*
- *The storage of excavated material shall be kept to the minimum necessary to efficiently perform the construction activities required. Excavated or stockpiled material shall not be stored in water courses or other areas subject to the flow of surface water; and*
- *Where feasible, stockpiled material shall be covered with waterproof material during rain events to control erosion of soil from the stockpiles.*

HYD-9: *Prior to commencement of construction of project facilities, IEUA shall be required to either:*

- (1) *Prepare a No Net Discharge Report demonstrating that within each facility surface runoff shall be collected and retained (for use onsite) or detained and percolated into the ground on the site such that site development results in no net increase in offsite stormwater flows. Detainment shall be achieved through Low Impact Development techniques whenever feasible, and shall include techniques that remove the majority of urban storm runoff pollutants, such as petroleum products and sediment. The purpose of this measure is to remove the onsite contribution to cumulative urban storm runoff and ensure the discharge from the sites is treated to reduce contributions of urban pollutants to downstream flows and to groundwater; or, where it is not feasible to eliminate stormwater flows off of a site or where otherwise appropriate, the Watermaster and/or Implementing Agency shall:*
- (2) *Prepare a grading and drainage plan that identifies anticipated changes in flow that would occur on site and minimizes any potential increases in discharge, erosion, or sedimentation potential in accordance with applicable regulations and requirements for the County and/or the City in which the facility would be located. In addition, all new drainage facilities shall be designed in accordance with standards and regulations. The plan shall identify and implement retention basins, best management practices, and other measures to ensure that potential increases in storm water flows and erosion would be minimized, in accordance with local requirements.*

HYD-10: *To minimize potential ground disturbances associated with installation and maintenance of wellhead treatment at existing wells, the equipment and treatment facilities shall be installed within or along existing disturbed easements or rights-of-way or otherwise disturbed areas, including access roads and pipeline or existing utility easements, whenever feasible.*

HYD-11: *For long-term mitigation of site disturbances at CBP facility locations, all areas not covered by structures shall be covered with hardscape (concrete, asphalt, gravel, etc.), native vegetation and/or man-made landscape areas (for example, grass). Revegetated or landscaped areas shall provide sufficient cover to ensure that, after a two-year period, erosion will not occur from concentrated flows (rills, gully, etc.) and sediment transport will be minimal as part of sheet flows.*

The following measures are also required to minimize impacts under utilities and service systems, though these measures (**HYD-1, HYD-2, HYD-5, HYD-6, HYD-7, HYD-8, HYD-9, HYD-10, and HYD-11**) are also provided under their respective section above.

IEUA finds that implementation of the above measures would reduce potential impacts to water supply, provision of wastewater, and solid waste under utilities and service systems. The above measures can be implemented without causing additional adverse environmental impacts. The above measures will be integrated into the future development activities without additional impacts on the environment. Since the proposed project as analyzed above will not directly or indirectly cause significant adverse water supply, provision of wastewater, or solid waste impacts under utilities and service systems with implementation of mitigation, the proposed project is not forecast to contribute to cumulatively considerable water supply, provision of wastewater, or solid waste impacts related to implementation of the CBP.

Based upon the findings presented in the FPEIR, the above-described environmental issues have been determined by the IEUA to be: (1) adequately addressed in the FPEIR; and (2) impacted to a degree deemed by the IEUA to be less than significant with implementation of the mitigation measures identified above (where required) and summarized in the Mitigation Monitoring and Reporting Program. No substantial evidence was subsequently presented to or identified by the IEUA which further modified or otherwise altered IEUA's less-than-significant impact determinations for each of these environmental issues. Where mitigation has been required, these changes or alterations have been required in, or incorporated into the project, and they mitigate or avoid the significant environmental effects thereof as identified in the FPEIR. These changes or alterations are within the responsibility and jurisdiction of the IEUA or other responsible agencies and such changes have been adopted the IEUA. The IEUA Board further finds that no additional mitigation measures or project changes are required to reduce the potential impacts discussed above to a less than significant level.

This concludes the summary of environmental impacts that were identified in the FPEIR and the Initial Study as non-significant impacts with mitigation measures related to implementation of the proposed project.

F. SIGNIFICANT UNAVOIDABLE EFFECTS OF THE PROJECT

The IEUA Board finds that despite the incorporation of extensive changes and alterations into the proposed project, approving and implementing the CBP will allow impacts under three issue categories to remain unavoidably significant because these impacts cannot be assured of mitigation to a less than significant level. These unavoidable significant adverse environmental impacts are related to biological resources, greenhouse gas emissions, and utilities and service systems. The impacts and the measures identified to minimize them to the extent feasible are summarized below. Thus, the potential for significant effects to occur for these issues would continue to exist regardless of whether or not the project implements the project changes and mitigation measures mandated by the IEUA Board in the FPEIR.

The potential impact to the above impact categories—Biological Resources, Greenhouse Gas Emissions, and Utilities and Service Systems—were concluded to be significant based on the whole record which demonstrated that these impacts could not be reduced below thresholds of significance by the proposed project changes to the proposed project (alternatives, mitigation measures or design changes) and still achieve project objectives. This finding is based on a mix of diversion of water from the SAR that may result in potentially significant impacts to biological resources, and cumulative construction activities over the next 25 years generating substantive construction-related greenhouse gas emissions. To the extent that future proposed project development generates the emissions forecast from construction and operational activities and to the extent that the CBP would divert water from the SAR, resulting in potentially significant cumulative modifications to suitable habitat for the Santa Ana sucker, approval of the CBP contributes to the significant impacts as described in detail below. Thus, despite the incorporation of changes to the CBP, biological resources, greenhouse gas emissions, and utilities and service systems impacts cannot be fully mitigated to a level of less than significant.

Pursuant to Section 21081(a) of the Public Resources Code and Section 15091(a)(3) of the CEQA Guidelines, the IEUA finds that, for each of the following significant effects, specific economic, legal, social, technological, or other considerations, including considerations for the provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or

alternatives identified in the FPEIR. These findings are explained below and are supported by substantial evidence in the record of proceedings.

4. Biological Resources: Only checklist items “(a),” “(b),” and “(d)” are discussed below as these are the only impact categories that are significant and unavoidable.

- a. **Would the project have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service?**

Finding: Unavoidable Significant Impact (pg. 4-96 to 4-99, and 4-103 through 4-109, FPEIR)

Facts: Potential impacts on jurisdictional waters, special-status plant communities, protected trees, special-status plant, and wildlife species (including critical habitat) will be analyzed for each facility as site locations are selected and specific designs are established. Once a particular facility area of potential effect (APE) is established, the following steps will be taken during a detailed second-tier evaluation to assure resource impacts are quantified, and site-specific measures are selected from the mitigation measures identified below:

- Where none of the biological resource impacts discussed under **2(a) Conclusion**, below, will occur, no further biological resource impact analysis would be necessary;
- Where potentially significant impacts may occur, but specific mitigation outlined under **BIO-1, -2, -6, -9, -25, -26** and **BIO-11** through **BIO-23**, can reduce such impacts to a less than significant level, future documentation may rely upon the procedures outlined in CEQA Guidelines Sections 15162 and 15168 to determine the required level of CEQA documentation for future infrastructure projects. Future CBP site-specific projects shall be required to perform these analyses at the time individual CBP Infrastructure improvements are considered for funding and implementation.

The following steps shall occur to determine the level of significance at a given CBP site:

- Each biological resource will be evaluated for its presence or absence, and for the presence of habitat that could support the resource or provide habitat for the resource. Suitable habitat was determined based on background review and identification of species-specific life-history requirements.
- Potential impacts on special-status wildlife species will be determined using a habitat-based approach where the presence of the species was assumed in suitable habitat. Habitats in the project footprint and vicinity were determined through a combination of background review, habitat mapping during field surveys, and aerial photograph interpretation.
- Potential impacts on designated critical habitat will be based on the location of the critical habitat relative to the project footprint and the presence of primary constituent elements (PCEs) associated with the critical habitat designation.

In determining the potential direct and indirect impacts associated with construction and operation impacts on biological resources, a number of assumptions and limitations are identified:

- Construction and operation impacts will be considered temporary if they can be fully restored to pre-disturbance conditions following construction. Temporary impacts would include construction staging areas, construction laydown areas, relocation of underground utilities, and other work space that would not be occupied by permanent above-ground facilities during project operation.
- Impacts will be considered permanent when they have lasting effects beyond the project construction period, or cannot be fully restored following construction. Permanent impacts would include new right-of-way for new or expanded facility or water conveyance systems, road crossings, electrical substations, maintenance and operations facilities, and monitoring stations.
- Certain jurisdictional waters types (wetlands) are especially sensitive to disturbance; therefore, impacts on these features will be considered permanent where these features cannot be restored to their pre-project condition due to the permanent loss by new infrastructure.

Finally, IEUA's operational water diversions have a potential to contribute to a cumulatively adverse impact on biological resources both in the Upper Santa Ana River channel and Prado Basin. Based on implementing avoidance and mitigation measures in accordance with the mitigation outlined in the SAR HCP DEIR (MMs **BIO-1** through **BIO-7** from the Upper SAR HCP DEIR), the impacts to 21 of the identified covered species can be reduced to a less than cumulatively considerable adverse impact or even beneficial impacts. However, according to the SAR HCP DEIR, the cumulative operational diversions from the SAR may contribute to a significant adverse impact on the Santa Ana sucker. As discussed above, this impact is not unequivocal; it is based on insufficient data to ensure that all of the proposed avoidance and mitigation measures are effective, particularly translocation, which "may not achieve their intended result." IEUA concurs with the cumulative impact findings of the SAR HCP DEIR.

The mitigation strategy includes avoidance of impacts on biological resources to the extent possible through requiring the following: preconstruction surveys and field verification of sensitive resources and mitigation to provide compensation for sensitive habitat lost (**BIO-1**); preparation of a Biological Resources Management Plan (BRMP) that would develop parameters with site-specific mitigation measures to minimize impacts to sensitive biological resources (**BIO-2**); conduct a preconstruction burrowing owl survey at CBP sites that are not fully developed (**BIO-6**); require facility design and maintenance activity to be planned to protect habitat, which would minimize the potential for CBP facilities to significantly modify sensitive habitat (**BIO-9**); require the establishment of buffer zones adjacent to sensitive biological resources to minimize any potential impacts thereof (**BIO-11**); revegetate areas disturbed by construction of CBP facilities to ensure that construction impacts to sensitive biological resources are minimized and to prevent invasive species from adversely impacting native biological resources (**BIO-12**); clean construction equipment to minimize introduction of non-native species that might adversely impact native biological resources on a given site (**BIO-13**); require contractor education and environmental training to ensure that personnel are informed of the protocols required to minimize impacts to biological resources at a given site (**BIO-14**); require that a biological monitor be present during construction where impacts to Riparian, Riverine, Wetland, Endangered Species or Endangered Species Critical habitat occurs to minimize impacts thereof (**BIO-15**); require that all trash is disposed of in closed containers to minimize the potential to attract or adversely impact

sensitive biological species (**BIO-16**); restrict use of rodenticides and herbicides to prevent impacts to sensitive biological species (**BIO-17**); installation of wildlife exclusion fencing at the edge of the construction footprint and along the outer perimeter of Environmentally Sensitive Areas and Environmentally Restricted Areas to restrict special-status species from entering the construction area (**BIO-18**); require that equipment staging areas are delineated and enforced during construction at each site (**BIO-19**); restriction of plastic mono-filament netting or similar material to prevent potential harm to wildlife (**BIO-20**); access roads will be clearly delineated to minimize potential for impacts to habitat located outside of these delineated areas (**BIO-21**); to prevent use of trenches and other similar features by wildlife, all excavated, steep-sided holes or trenches more than 8 inches deep will be covered at the close of each working day (**BIO-22**); and, require preparation and implementation of weed control plans to ensure the measures taken to prevent the spread of weeds do not adversely impact sensitive biological resources, and conversely this plan shall ensure that invasive species do not adversely impact sensitive biological resources (**BIO-23**); support Prado Basin Habitat Sustainability Monitoring Program (**BIO-25**); and, install xeric landscaping to minimize water demand within individual CBP facilities. MMs **BIO-1** through **BIO-7** from the Upper SAR HCP DEIR would provide additional support to protect the 22 covered species under the HCP, thus further minimizing the project's potential cumulative impacts to all covered species except the Santa Ana sucker.

Ultimately, the program's contribution is considered cumulatively considerable, and would result in a significant or cumulatively considerable adverse impact. Furthermore, though substantial mitigation is provided to minimize impacts under most circumstances for future CBP facilities, no feasible mitigation exists to completely avoid the potential for the CBP to have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service. Thus, the proposed project is forecast to cause significant unavoidable adverse impacts to biological resources, specifically under this issue.

- b. **Would the project have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service?**

Finding: Unavoidable Significant Impact (pg. 4-99 to 4-100, and 4-103 through 4-109, FPEIR)

Facts: Critical habitat has been designated for several species adjacent to, directly overlapping, or in the general vicinity of the CBP area, with significant concentration along the Santa Ana River corridor. The primary mitigation for potential impacts to critical habitat will be avoidance. Where avoidance is not feasible, MMs **BIO-1** and **BIO-7** will be implemented to minimize impacts to the maximum extent feasible. It is rare that critical habitat extends directly within the property owned by IEUA because these areas have already been converted to urban development. Mitigation is required to address potential impacts to riparian habitat or other sensitive natural communities, furthermore, the future CBP facilities will be required to prepare site-specific subsequent environmental documentation to minimize impacts to riparian habitat or other sensitive natural communities through acquisition of regulatory permits where applicable. Direct construction impacts on critical habitat or covered

species can be mitigated to a less than significant level through the SAR HCP implementation. The one exception regarding operational impacts is the potential for impacts to the Santa Ana sucker (SAS).

As stated above under Biological Resources issue “a”, the mitigation strategy includes avoidance of impacts on sensitive habitat to the extent possible through requiring the following: preconstruction surveys and field verification of sensitive resources and mitigation to provide compensation for sensitive habitat lost (**BIO-1**); preparation of a Biological Resources Management Plan (BRMP) that would develop parameters with site-specific mitigation measures to minimize impacts to sensitive biological resources (**BIO-2**); obtainment of regulatory permits and implementing subsequent mitigation that would minimize impacts related to discharge of fill or streambed alteration of jurisdictional areas (**BIO-3**); require jurisdictional water preconstruction surveys to determine the potential impacts thereof, which will inform the mitigative actions required to minimize impacts to jurisdictional waters/areas (**BIO-4**); protect migratory birds through conducting grubbing, brushing or tree removal outside of nesting season or coordinating with the California Department of Fish and Wildlife (CDFW) (**BIO-5**); conduct a preconstruction burrowing owl survey at CBP sites that are not fully developed (**BIO-6**); and, verify consistency with or obtain take authorization through applicable habitat conservation plans (HCPs) or multiple species habitat conservation plans (MSHCPs) within a given site (**BIO-7**). MMs **BIO-1** through **BIO-7** from the Upper SAR HCP DEIR would provide additional support to protect the 22 covered species and critical habitat under the HCP, thus further minimizing the project’s potential cumulative impacts to all covered species to a level of less than significant, excluding the potentially significant cumulative impacts to the SAS.

As the CBP would result in diversion of water from the SAR, it would contribute to cumulative loss of critical habitat for the SAS. As this is cumulative contribution, and the diversion from the SAR is critical to implementing the CBP, impacts to SAS may not be fully mitigable, and an unavoidable significant adverse biological resource impact may occur. Therefore, where the mitigation strategies proposed as part of the SAR HCP to protect this species cannot be achieved, the residual cumulative impact to critical habitat is determined to be unavoidable, and therefore, cumulatively significant.

- d. **Would the project interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?**

Finding: Unavoidable Significant Impact (pg. 4-64 to 4-65, 4-68 to 4-70, and 4-73 to 4-75, FPEIR)

Facts: The proposed CBP will be developed within the Chino Basin, which contains many areas that could serve to enable movement of native resident or migratory fish or wildlife species, or serve established native resident or migratory wildlife movement corridors, or serve as native wildlife nursery sites. As such, future CBP Infrastructure proposals will be required to perform subsequent environmental analyses at the time individual infrastructure improvements are considered for funding. Mitigation is required to minimize impacts under this issue to a less than significant level on a project specific basis.

The mitigation strategy includes avoidance of impacts on biological resources to the extent possible through requiring the following: preconstruction surveys and field verification of sensitive resources and mitigation to provide compensation for sensitive habitat lost (**BIO-1**); preparation of a Biological Resources Management Plan (BRMP) that would develop parameters with site-specific mitigation measures to minimize impacts to sensitive biological resources (**BIO-2**); protect migratory birds through conducting grubbing, brushing or tree removal outside of nesting season or coordinating with the California Department of Fish and Wildlife (CDFW) (**BIO-5**); conduct a preconstruction burrowing owl survey at CBP sites that are not fully developed (**BIO-6**); and, verify consistency with or obtain take authorization through applicable habitat conservation plans (HCPs) or multiple species habitat conservation plans (MSHCPs) within a given site (**BIO-7**); Place primary emphasis on the preservation of large, unbroken blocks of natural open space and wildlife habitat area, and protect the integrity of habitat linkages (**BIO-8**); require facility design and maintenance activity to be planned to protect habitat, which would minimize the potential for CBP facilities to significantly modify sensitive habitat (**BIO-9**); require the establishment of buffer zones adjacent to sensitive biological resources to minimize any potential impacts thereof (**BIO-11**); revegetate areas disturbed by construction of CBP facilities to ensure that construction impacts to sensitive biological resources are minimized and to prevent invasive species from adversely impacting native biological resources (**BIO-12**); clean construction equipment to minimize introduction of non-native species that might adversely impact native biological resources on a given site (**BIO-13**); require contractor education and environmental training to ensure that personnel are informed of the protocols required to minimize impacts to biological resources at a given site (**BIO-14**); require that a biological monitor be present during construction where impacts to Riparian, Riverine, Wetland, Endangered Species or Endangered Species Critical habitat occurs to minimize impacts thereof (**BIO-15**); require that all trash is disposed of in closed containers to minimize the potential to attract or adversely impact sensitive biological species (**BIO-16**); restrict use of rodenticides and herbicides to prevent impacts to sensitive biological species (**BIO-17**); installation of wildlife exclusion fencing at the edge of the construction footprint and along the outer perimeter of Environmentally Sensitive Areas and Environmentally Restricted Areas to restrict special-status species from entering the construction area (**BIO-18**); require that equipment staging areas are delineated and enforced during construction at each site (**BIO-19**); restriction of plastic mono-filament netting or similar material to prevent potential harm to wildlife (**BIO-20**); access roads will be clearly delineated to minimize potential for impacts to habitat located outside of these delineated areas (**BIO-21**); to prevent use of trenches and other similar features by wildlife, all excavated, steep-sided holes or trenches more than 8 inches deep will be covered at the close of each working day (**BIO-22**); and, required preparation and implementation of weed control plan to ensure the measures taken to prevent the spread of weeds do not adversely impact sensitive biological resources, and conversely this plan shall ensure that invasive species do not adversely impact sensitive biological resources (**BIO-23**). MMs **BIO-1** through **BIO-7** from the Upper SAR HCP DEIR would provide additional support to protect the 22 covered species under the HCP to a level of less than significant, excluding the potentially significant cumulative impacts to the Santa Ana sucker.

Ultimately, the program's contribution is considered cumulatively considerable, and could result in a significant or cumulatively considerable adverse impact. While

Furthermore, the above mitigation measures would minimize the potential for the CBP to interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites for all species except the Santa Ana sucker. The proposed CBP project operations may result in a reduction in surface flows in the Santa Ana River and into Prado Basin. In addition, Low Impact Development ordinances, local policies, and municipal storm water detention regulations will encourage water conservation and flow detention, resulting in a cumulative reduction in surface flows reaching Prado Basin. These cumulative flow reductions may result in reduced acreage of healthy riparian forest that supports sensitive species such as least Bell's vireo as well as aquatic species such as the SAS and Southern California arroyo chub. To mitigate the effects of the cumulative diversions on habitat values and conservation objectives, the SAR HCP has determined that potential impacts of water management agencies in the Upper Santa Ana River Watershed that cumulative impacts to covered species and supporting habitat can be mitigated by implementing the HCP, except for the SAS. This impact is not unequivocal; it is based on insufficient data to ensure that all of the proposed avoidance and mitigation measures are effective, particularly translocation, which "may not achieve their intended result." As such, the project would contribute cumulatively considerable impacts to the SAS.

Mitigation Measures

The IEUA has determined that the proposed project could have a potentially significant impact on sensitive biological resources. Substantial mitigation is provided to minimize impacts such that, a future CBP facility would not be developed in an area containing significant biological resources that cannot be avoided. However, it has been determined that even with the implementation of substantial mitigation measures to avoid contributing to cumulatively considerable impacts to covered species and supporting habitat, which can be mitigated by implementing the HCP, impacts to one species cannot be completely avoided. Thus, the proposed project is forecast to cause significant unavoidable adverse impact to biological resources, specifically implementation of the CBP will contribute cumulatively to potential significant impacts to the Santa Ana Sucker due to the reduction in cumulative flows to the Santa Ana River. No feasible mitigation exists to ensure complete avoidance of potential cumulative impacts to the Santa Ana sucker. Below are the substantive mitigation measures addressed under Biological Resources:

BIO-1: *All future CBP Infrastructure projects shall be required to consult with a qualified professional to determine the need for site-specific biological surveys. Where a site has been determined to require a site-specific survey by a qualified professional, in any case in which a future CBP Infrastructure project will affect undeveloped land, or in which IEUA seeks State Funding, site surveys shall be conducted in accordance with appropriate standards by a qualified biologist/ecologist, except where such surveys have already been conducted (i.e., at RP-4). If sensitive species are identified as a result of the survey for which mitigation/compensation must be provided in accordance with regulatory requirements, the CNDDB will be notified and the following subsequent mitigation actions will be taken:*

- a. *The project proponent shall provide compensation for sensitive habitat acreage lost by acquiring and protecting in perpetuity (through property or mitigation bank credit acquisition) habitat for the sensitive species at a ratio of not less than 1:1 for habitat lost. The property acquisition shall include the presence of at least one animal or plant per animal or plant lost at the development site to compensate for the loss of individual sensitive species.*
- b. *The final mitigation may differ from the above values based on negotiations between the project proponent and USFWS and CDFW for any incidental take permits for listed species. IEUA shall retain a copy of the incidental take permit as verification that the mitigation of*

significant biological resource impacts at a project site with sensitive biological resources has been accomplished.

- c. *Preconstruction botanical surveys for special-status plant communities and special-status plant species will be conducted in areas that were not previously surveyed because of access or timing issues or project design changes; pre-construction surveys for special-status plant communities and special-status plant species will be conducted before the start of ground-disturbing activities during the appropriate blooming period(s) for the species. If special-status plants or plant communities are identified, the following hierarchy of actions shall be taken: a) find an alternative site; b) avoid the plants and maintain them onsite after completing the project; or c) provide compensatory mitigation offsite.*

BIO-2: *Biological Resources Management Plan (BRMP): During final design and prior to issuance of construction permits, a BRMP will be prepared to assemble the biological resources mitigation measures for each specific infrastructure improvement in the future. The BRMP will include terms and conditions from applicable permits and agreements and make provisions for monitoring assignments, scheduling, and responsibility. The BRMP will also discuss habitat replacement and revegetation, protection during ground-disturbing activities, performance (growth) standards, maintenance criteria, and monitoring requirements for temporary and permanent native plant community impacts. The parameters of the BRMP will be formed with the mitigation measures from subsequent CEQA documentation, including terms and conditions as applicable from the USFWS, USACE, SWRCB/RWQCB, and CDFW.*

BIO-3: *Prior to discharge of fill or streambed alteration of state or federal water jurisdictional areas, IEUA shall obtain regulatory permits from the U.S. Army Corps of Engineers, local Regional Water Quality Control Board and the California Department of Fish and Wildlife as required. Any future project that must discharge fill into a channel or otherwise alter a streambed shall be minimized to the extent feasible, and any discharge of fill not avoidable shall be mitigated through compensatory mitigation. Mitigation can be provided by restoration of temporary impacts, enhancement of existing resources, or purchasing into any authorized mitigation bank or in-lieu fee program; by selecting a site of comparable acreage near the site and enhancing it with a native riparian habitat or invasive species removal in accordance with a habitat mitigation plan approved by regulatory agencies; or by acquiring sufficient compensatory habitat to meet regulatory agency requirements. Typically, regulatory agencies require mitigation for jurisdictional waters without any riparian or wetland habitat to be mitigated at a 1:1 ratio. For loss of any riparian or other wetland areas, the mitigation ratio will begin at 2:1 and the ratio will rise based on the type of habitat, habitat quality, and presence of sensitive or listed plants or animals in the affected area. A Habitat Mitigation and Monitoring Proposal shall be prepared and reviewed and approved by the appropriate regulatory agencies. IEUA will also obtain permits from the regulatory agencies (U.S. Army Corps of Engineers, Regional Water Quality Control Board, CDFW and any other applicable regulatory agency with jurisdiction over the proposed facility improvement) if any impacts to jurisdictional areas will occur. These agencies can impose greater mitigation requirements in their permits, but IEUA will utilize the ratios outlined above as the minimum required to offset or compensate for impacts to jurisdictional waters, riparian areas or other wetlands.*

BIO-4: *Jurisdictional Water Preconstruction Surveys: A federal and state jurisdictional water preconstruction survey will be conducted at least three months before the start of ground-disturbing activities to identify and map all jurisdictional waters in the project footprint and up to a 250-foot buffer around the project footprint, subject to legal property access restrictions. The purpose of this survey is to confirm the extent of jurisdictional waters within the project footprint and adjacent up to 250-foot buffer. If possible, surveys would be performed during the spring, when plant species are in bloom and hydrological indicators are most readily identifiable. These results would then be used to calculate impact acreages and determine the amount of compensatory mitigation required to offset the loss of wetland functions and values.*

BIO-5: *To avoid an illegal take of active bird nests, any grubbing, brushing or tree removal will be conducted outside of the State identified nesting season (nesting season is approximately from February 15 through September 1 of a given calendar year). Alternatively, a nesting bird survey that demonstrates that no bird nests will be disturbed during project construction can be conducted by a qualified biologist no more than 14 days prior to initiation of ground disturbance; construction may only commence once a qualified biologist has demonstrated that no nesting birds are present at a given site. IEUA shall coordinate with the CDFW to identify the appropriate nesting bird survey protocol. The results of the nesting bird survey will be documented in a report submitted by the avian biologist*

to IEUA. IEUA, in coordination with CDFW and USFWS (as appropriate), may designate nest buffers outside of which construction activities may be allowed to proceed.

- BIO-6:** All future CBP Infrastructure projects shall be required to consult with a qualified professional to determine the need for site-specific protocol burrowing owl surveys. Prior to commencement of construction activity where a site has been determined to require a protocol burrowing owl survey by a qualified professional, or in locations that are not fully developed, a protocol burrowing owl survey will be conducted using the 2012 survey protocol methodology identified in the "Staff Report on Burrowing Owl Mitigation, State of California, Natural Resources Agency, Department of Fish and Game, March 7, 2012", or the most recent CDFW survey protocol available. Protocol surveys shall be conducted by a qualified biologist to determine if any burrowing owl burrows are located within the potential area of impact. If occupied burrows may be impacted, an impact minimization plan shall be developed in coordination with CDFW and submitted to IEUA that will protect the burrow in place or provide for passive relocation to an alternate burrow within the vicinity but outside of the project footprint in accordance with current CDFW guidelines. Active nests must be avoided with a 250-foot buffer until all nestlings have fledged.
- BIO-7:** Prior to commencement of construction activity on a project facility within a MSHCP/HCP plan area, consistency with that plan, or take authorization through that plan, shall be obtained. Through avoidance, compensation or a comparable mitigation alternative, each project shall be shown to be consistent with a MSHCP/HCP.
- BIO-8:** During the design phase of future CBP Infrastructure projects, IEUA shall place primary emphasis on the preservation of large, unbroken blocks of natural open space and wildlife habitat area, and protect the integrity of habitat linkages. As part of this emphasis, IEUA shall facilitate programs for purchase of lands, clustering of development to increase the amount of preserved open space, and assurances that the construction of facilities or infrastructure improvements meet standards identical to the environmental protection policies applicable to the specific facilities improvement.
- BIO-9:** Require facility designs and maintenance activities to be planned to protect habitat values and to preserve significant, viable habitat areas and habitat connection in their natural conditions. A qualified biologist shall be retained to determine the scope of the following for a given project site:
- Within designated habitat areas of rare, threatened or endangered species, prohibit disturbance of protected biotic resources.
 - Within riparian areas and wetlands subject to state or federal regulations, riparian woodlands, oak and walnut woodland, and habitat linkages, require that the vegetative resources which contribute to habitat carrying capacity (vegetative diversity, faunal resting sites, foraging areas, and food sources) are preserved in place or replaced so as not to result in a measurable reduction in the reproductive capacity of sensitive biotic resources.
 - Within habitats of plants listed by the CNDDDB or CNPS as "special" or "of concern," require that new facilities do not result in a reduction in the number of these plants, if they are present.
- BIO-10:** Maximize the preservation of individual oak, sycamore and walnut trees within proposed CBP Infrastructure sites. Preservation is defined within this measure as follows: existing oak, sycamore and walnut trees within a given Project site shall be retained within the site to the maximum extent feasible except where their preservation would interfere with functional and reasonable project design. Where the preservation of individual trees is not possible, IEUA shall comply with the local jurisdiction's tree ordinance, municipal code, or other local regulations. If no tree ordinance exists within the local jurisdiction, and a project will remove healthy trees as defined by a qualified arborist, (1) IEUA shall replace all trees removed at a 1:1 ratio, and (2) the specific location selected for a well shall avoid rock outcroppings and other scenic resources as defined in CEQA Guidelines Appendix G. If this cannot be accomplished a second tier CEQA evaluation shall be completed.
- BIO-11:** Require the establishment of buffer zones adjacent to areas of biological resources as recommended and defined by the site biologist. Such buffer zones shall be of adequate width to protect biological resources from grading and construction activities, as well as from the long-term use of adjacent lands. Permitted land modification activities with preservation and buffer areas are to be limited to those that are consistent with the maintenance of the reproductive capacity of the identified resources. The land uses and design of project facilities adjacent to a vegetative preservation area, as well as activities within the designated buffer area are not to be permitted to disturb natural drainage patterns to the point that vegetative resources receive too much or too little water to permit their ongoing health. In addition, landscape adjacent to areas of preserved

biological resources shall be designed so as to avoid invasive species which could negatively impact the value of the preserved resource.

BIO-12: *As part of completion of the final site development, after ground disturbance has occurred within or adjacent to any natural area, the disturbed areas shall be revegetated using a plant mix of native plant species that are suitable for long term vegetation management at the specific site, which shall be implemented in cooperation with regulatory agencies and with oversight from a qualified biologist. The seeds mix shall be verified to contain the minimum amount of invasive plant species seeds reasonably available for the project area.*

BIO-13: *Clean Construction Equipment. During construction, equipment will be washed before entering the project footprint to reduce potential indirect impacts from inadvertent introduction of nonnative invasive plant species. Mud and plant materials will be removed from construction equipment when working in native plant communities, near special-status plant communities, or in areas where special-status plant species have been identified.*

BIO-14: *Contractor Education and Environmental Training.*

Personnel who work onsite will attend a Contractor Education and Environmental Training session conducted by a qualified biologist. The environmental training will cover general and specific biological information on the special-status plant species that may be present near the construction site, including the distribution of the resources, the recovery efforts, the legal status of the resources, and the penalties for violation of project permits and laws.

The Contractor Education and Environmental Training sessions will be given before the initiation of construction activities and repeated, as needed, when new personnel begin work within the project limits. Daily updates and synopsis of the training will be performed during the daily safety ("tailgate") meeting. All personnel who attend the training will be required to sign an attendance list stating that they have received the Contractor Education and Environmental Training, and such tracking sheets shall be maintained for inspection by IEUA.

BIO-15: *Biological Monitor to Be Present during Construction Activities in areas where impacts to Riparian, Riverine, Wetland, Endangered Species or Endangered Species critical habitat occurs. A biological monitor (or monitors) will be present onsite during construction activities that could result in direct or indirect impacts on sensitive biological resources (including listed species) and to oversee permit compliance and monitoring efforts for all special-status resources.*

A biological monitor (qualified biologist) is any person who has a bachelor's degree in biological sciences, zoology, botany, ecology, or a closely related field and/or has demonstrated field experience in and knowledge about the identification and life history of the special-status species or jurisdictional waters that could be affected by project activities. The biological monitor(s) will be responsible for monitoring the construction contractor to ensure compliance with the Section 404 Individual Permit, Section 401 Water Quality Certification and the Lake and Streambed Alteration Agreement. Activities to ensure compliance would include performing construction-monitoring activities, including monitoring environmental fencing, identifying areas where special-status plant species are or may be present, and advising the Contractor of methods that may minimize or avoid impacts on these resources. Biological monitor(s) will be required to be present in all areas during ground disturbance activities and for all construction activities conducted within or adjacent to identified Environmentally Sensitive Areas, Wildlife Exclusion Fencing, and Non-Disturbance Zones as defined by the project biologist.

BIO-16: *Food and Trash: All food-related trash items (e.g., wrappers, cans, bottles, food scraps) will be disposed of in closed containers and removed at least once a week from the construction site.*

BIO-17: *Rodenticides and Herbicides: Use of rodenticides and herbicides in the project footprint will be restricted at the direction of the project biologist. This measure is necessary to prevent poisoning of special-status species and the potential reduction or depletion of the prey populations of special-status wildlife species. Where pesticides must be used, they must be used in full accordance with use instructions for the particular chemical and at the direction of the project biologist.*

BIO-18: *Wildlife Exclusion Fencing: Exclusion barriers (e.g., silt fences) will be installed at the edge of the construction footprint and along the outer perimeter of Environmentally Sensitive Areas and*

Environmentally Restricted Areas as defined by the project biologist prior to the commencement of construction activities to restrict special-status species from entering the construction area during construction. The design specifications of the exclusion fencing will be determined through consultation with the USFWS and/or CDFW, as appropriate. Clearance surveys will be conducted for special-status species after the exclusion fence is installed in compliance with USFWS and/or CDFW requirements. The project biologist shall determine the frequency in which clearance surveys will be conducted to determine the efficacy of the exclusion fencing.

- BIO-19:** *Equipment Staging Areas: Prior to the commencement of construction, the Project Proponent shall identify staging areas for construction equipment to be utilized during construction that will be located outside sensitive biological resources areas, including habitat for special-status species, jurisdictional waters, and wildlife movement corridors.*
- BIO-20:** *Plastic mono-filament netting (erosion-control matting) or similar material will not be used in erosion control materials to prevent potential harm to wildlife. Materials such as coconut coir matting or tackified hydroseeding compounds will be used as substitutes.*
- BIO-21:** *Vehicle Traffic: During ground-disturbing activities, project-related vehicle traffic will be restricted within the construction area to established roads, construction areas, and other designated areas to prevent avoidable impacts. Access routes will be clearly flagged, to ensure traffic outside of the designated areas will be prohibited.*
- BIO-22:** *Entrapment Prevention: All excavated, steep-sided holes or trenches more than 8 inches deep will be covered at the close of each working day with plywood or similar materials, or a minimum of one escape ramp constructed of earth fill for every 10 feet of trenching will be provided to prevent the entrapment of wildlife. Before such holes or trenches are filled, they will be thoroughly inspected for trapped animals. All culverts or similar enclosed structures with a diameter of 4 inches or greater will be covered, screened, or stored more than 1 foot off the ground to prevent use by wildlife. Stored material will be cleared for common and special-status wildlife species before the pipe is subsequently used or moved.*
- BIO-23:** *Weed Control Plan: Prior to the commencement of construction, a Weed Control Plan will be developed for IEUA by the project biologist to minimize or avoid the spread of weeds during ground-disturbing activities. In the Weed Control Plan, the following topics will be addressed:*
- *A schedule for noxious weed surveys shall be addressed.*
 - *Weed control treatments shall be addressed and ultimately implemented by IEUA, including permitted herbicides, and manual and mechanical methods for application; herbicide application will be restricted in Environmentally Sensitive Areas (as defined by the project biologist).*
 - *The timing of the weed control treatment for each plant species shall be addressed.*
 - *Fire prevention measures shall be addressed.*

IEUA shall maintain records demonstrating implementation of the Weed Control Plan, and shall make those records available to inspection by regulatory agency upon request.

- BIO-24:** *Dewatering/Water Diversion Plan: If construction is planned to occur where there is open or flowing water, prior to the commencement of construction IEUA shall submit the Dewatering Plan prepared in coordination with the resource agencies (e.g., USACE, SWRCB/RWQCB, and CDFW, as appropriate). The Dewatering Plan shall identify how open or flowing water will be routed around construction areas, such as through the creation of cofferdams. If cofferdams are constructed, implementation of the following cofferdam or water diversion measures shall be implemented to avoid and lessen impacts on jurisdictional waters during construction:*
- *The cofferdams, filter fabric, and corrugated steel pipe are to be removed from the creek bed after completion of the project.*
 - *The timing of work within all channelized waters is to be coordinated with the regulatory agencies.*
 - *The cofferdam is to be placed upstream of the work area to direct base flows through an appropriately sized diversion pipe. The diversion pipe will extend through the Contractor's work area, where possible, and outlet through a sandbag dam at the downstream end.*
 - *Sediment-catch basins immediately below the construction site are to be constructed when performing in-channel construction to prevent silt- and sediment-laden water from entering the main stream flow. Accumulated sediments shall be periodically removed from the catch basins.*

BIO-25: *Permanent Water Diversion Projects: IEUA shall continue to support preparation of the annual Prado Basin Habitat Sustainability Monitoring Program. IEUA shall conduct a second-tier CEQA evaluation for a proposed water diversion project associated with the CBP. The potential impacts to Prado Basin and sensitive habitat (for example riparian, wetland, or critical habitat) from implementation of such diversion projects shall receive public review, including pertinent wildlife management agencies and interested parties.*

BIO-26: *Landscaping at Future CBP Infrastructure Sites: IEUA shall require that any landscaping at future CBP Infrastructure sites shall be landscaped with water-wise or xeric landscape plants (native plants where feasible) to minimize future water demand.*

Implementation of the project specific mitigation measures would minimize construction-related impacts to the greatest extent feasible, including the potential for invasive species occupancy caused by project-related disturbance of natural areas. However, under items “4(a),” “4(b),” and “4(d)” —which pertain to whether the project would (a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service?, (b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service?, and (d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites? —the substantive mitigation measures provided cannot minimize impacts to these resources below significance levels.

The IEUA Board finds that with the implementation of the above measures, impacts to biological resources from future CBP project implementation would be reduced or controlled to the maximum extent feasible. Regardless, implementation of the CBP will contribute cumulatively to potential significant impacts to the Santa Ana sucker due to the reduction in cumulative flows to the Santa Ana River, and the diversion of water from the CBP is integral to implementation of the proposed project, thus, cumulative biological resource impacts remain potentially significant and unavoidable.

8. Greenhouse Gas Emissions: Only checklist item “(a),” is discussed below as this is the only impact category that is significant and unavoidable.

a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?

Finding: Unavoidable Significant Impact (pg. 4-213 to 4-218, FPEIR)

Facts: For Construction, IEUA has chosen to incorporate the following GHG emission reduction measures identified by the CAPCOA in its 2010 report, *Quantifying Greenhouse Gas Mitigation Measures*, into CBP construction activities, as defined in Mitigation Measure (MM) **GHG-1**:²

- Use alternative fuels for construction equipment;
- Use electric and hybrid construction equipment;
- Limit construction equipment idling beyond regulation requirements;

² CAPCOA. 2010. “Quantifying Greenhouse Gas Mitigation Measures: A Resource for Local Government to Assess Emission Reductions from Greenhouse Gas Mitigation Measures.” August. <https://www.aqmd.gov/docs/default-source/ceqa/handbook/mitigation-measures-and-control-efficiencies/quantifying-greenhouse-gas-mitigation-measures.pdf?sfvrsn=0> (accessed October 2021).

- Institute a heavy-duty off-road vehicle plan; and
- Implement a construction vehicle inventory tracking system.

However, since it is not known to what extent these measures will be sufficient to reduce construction emissions below the SCAQMD threshold for 2030 of 6,000 MT of CO₂e per year, it is not possible to ensure that this significant construction-related impact would be avoided. As such, MM **GHG-1** shall be implemented to minimize construction-related impacts to the greatest extent feasible. As discussed previously, construction-related GHG emissions associated with the CBP is forecast to exceed the approximated SCAQMD threshold for 2030 of 6,000 MT of CO₂e per year during the most intensive year of construction activities (2027), and therefore would potentially hinder the statewide GHG emission reduction target for 2030. As such, while MM **GHG-1** would minimize impacts to the greatest extent feasible, construction-related impacts from implementation of the proposed CBP would be potentially significant.

The annual GHG emissions of the CBP would depend on whether it is operating during a call year or a non-call year as well as the current renewable energy portfolio of SCE. The GHG emissions associated with CBP operation would result in a significant impact if the CBP would not meet its fair share of GHG reductions required on a statewide basis by 2030 or if it would fail to procure its electricity from carbon-neutral electricity sources by 2045. By procuring electricity from SCE, which is on-track to achieve 60 percent renewables by 2030, the CBP would not generate indirect GHG emissions associated with electricity consumption that exceed the statewide 2030 target.³ Furthermore, if IEUA were to use its own renewable energy facilities to partially or fully supply the electricity demand of CBP facilities, it would accelerate efforts toward achieving a carbon-neutral electricity supply. Therefore, operation of the CBP would meet its fair share of GHG reductions required to achieve the statewide 2030 GHG reduction target.

According to SB 100, the Renewables Portfolio Standard requires California to obtain 100 percent of its electricity from carbon-neutral sources by 2045. Although it is projected that SCE would have a 100 percent carbon-neutral power supply by 2045, it is speculative to determine with complete certainty whether this will be achieved in the future. Likewise, it is speculative to determine whether IEUA will achieve its goal of carbon neutrality for all its facilities in the next 15 years. Although the CBP would result in a net reduction in total GHG emissions over the 25-year term of the proposed water transfer agreements as compared to existing baseline conditions, the CBP's electricity consumption itself may not be carbon-neutral because GHG emissions may still be generated in both call and non-call years due to the use of electricity supplied from non-renewable energy resources by 2045. As a result of the uncertainty surrounding the future power mix and energy demands of the proposed CBP, the CBP would potentially fail to procure its electricity from carbon-neutral electricity sources by 2045. Therefore, the long-term, indirect impacts of the CBP's operational GHG emissions would be potentially significant in both call and non-call years. Implementation MM **GHG-2** would be required.

³ California Public Utilities Commission. 2020. "2020 California Renewables Portfolio Standard: Annual Report." November. https://www.cpuc.ca.gov/-/media/cpuc-website/files/uploadedfiles/cpuc_public_website/content/utilities_and_industries/energy_-_electricity_and_natural_gas/2020-rps-annual-report.pdf (accessed October 2021).

Mitigation Measures

The IEUA has determined that the proposed project could contribute potentially significant construction-related greenhouse gas emissions. With implementation of the recommended GHG mitigation measures identified below, GHG emissions could still exceed the approximated SCAQMD threshold for 2030 of 6,000 MT of CO₂e per year during the most intensive year of construction activities (2027) and as a result of the uncertainty surrounding the future power mix and energy demands of the proposed CBP, the CBP would potentially fail to procure its electricity from carbon-neutral electricity sources by 2045.

GHG-1: *IEUA shall implement all feasible GHG reduction measures during construction. These may include, but should not be limited to, the following measures identified in the CAPCOA 2010 report, Quantifying Greenhouse Gas Mitigation Measures:*

- *Use alternative fuels for construction equipment*
- *Use electric and hybrid construction equipment*
- *Limit construction equipment idling beyond regulation requirements*
- *Institute a heavy-duty off-road vehicle plan*
- *Implement a construction vehicle inventory tracking system*

GHG-2: *IEUA shall implement all feasible GHG reduction measures during operations. These may include, but should not be limited to, the following measures identified in the CAPCOA 2010 report, Quantifying Greenhouse Gas Mitigation Measures:*

- *Exceed Title 24 Building energy efficiency standards*
- *Procure 100 percent renewable electricity from Southern California Edison, a community choice aggregation program, and/or other on-site and off-site renewable energy systems*
- *Utilize electric or hybrid vehicles and/or encourage operations and maintenance employees to carpool or otherwise commute using a method other than a single-occupancy fossil-fuel powered vehicle*

Implementation of mitigation that would ensure that IEUA implement all feasible GHG reduction measures during operation and construction is required, but does not reduce either construction- or operations-related emissions to a level of insignificance.

The IEUA Board finds that with the implementation of the above measures, impacts from greenhouse gas emissions generated by future CBP construction and operations would be reduced or controlled to the maximum extent feasible. Regardless, no feasible mitigation is available to minimize construction-related GHG emissions to below significance thresholds or ensure that electricity supporting CBP operations would be obtained from carbon-neutral electricity sources by 2045. Thus, exceedances of applicable SCAQMD regional thresholds are considered significant and unavoidable, and the construction and operation of the proposed project could create a potentially significant cumulative impact to global climate change.

19. Utilities and Service Systems: Only checklist item “(a)” is discussed below as this is the only impact category that is significant and unavoidable.

- a) **Would the project require or result in the relocation or construction of new or expanded water, electric power, or natural gas facilities, the construction or relocation of which could cause significant environmental effects?**

Finding: Unavoidable Significant Impact (pg. 4-500 to 4-507, FPEIR)

Facts: **Water and Wastewater:** The CBP includes the construction of water and wastewater facilities, which constitute the construction of new and expansion or modifications to existing water infrastructure facilities. The environmental effects

associated with the proposed project are documented throughout the FPEIR. As such, given that the proposed CBP is anticipated to result in significant impacts related to construction-related GHG emissions that would exceed the approximated SCAQMD threshold for 2030 of 6,000 MT of CO₂e per year during the most intensive year of construction activities (2027), and therefore would potentially hinder the statewide GHG emission reduction target for 2030 that would result from the extension of water- and wastewater-related infrastructure. Such construction of the CBP has the potential to hinder statewide GHG emissions targets.

All mitigation measures identified throughout the FPEIR would otherwise reduce impacts related to the construction of water facilities under all remaining issues set forth in Appendix G of the CEQA Guidelines. Though MM **GHG-1** would reduce construction related GHG emissions to the greatest extent feasible, construction-related GHG emissions associated with the CBP would exceed the approximated SCAQMD threshold for 2030 of 6,000 MT of CO₂e per year during the most intensive year of construction activities (2027), and therefore would potentially hinder the statewide GHG emission reduction target for 2030. Thus, the proposed CBP would result in significant and unavoidable impacts related to construction of new or expansion or modifications to existing water facilities.

Stormwater: Implementation of proposed CBP would result in the addition of impervious surfaces that would increase stormwater quantity. This increase could affect on-site drainage patterns as well as off-site drainage volume and require the construction and operation of new and/or expanded stormwater drainage facilities. Mitigation is required to minimize impacts related to the extension of stormwater infrastructure at future CBP facilities.

Implementation of MM **UTIL-1** is sufficient to reduce the potential for impacts related to construction of stormwater facilities through the requirement that the Watermaster or implementing agency prepare a drainage plan prior to construction with facilities that will be included in the project's final design.

Ultimately, through the implementation of MM **UTIL-1**, the CBP would have a less than significant impact related to construction of new or expansion or modifications to existing stormwater facilities.

Electric Power and Natural Gas: The proposed CBP would not cause or result in the need for additional energy producing facilities or energy delivery systems, which includes electricity and natural gas. Given that connection to the electrical power grid and connection to natural gas, where a connection to natural gas is required at future facilities, are minor components of the overall construction of CBP facilities and that the energy analysis concluded that impacts thereof would be less than significant, the provision of these facilities as part of the overall CBP would not cause a significant environmental effect.

However, there is a potential that specific CBP facilities may not have access to electricity or natural gas, and will require either extension of infrastructure or creation of new infrastructure to meet electricity and/or natural gas needs at a future CBP site. As such, mitigation will be required to examine the environmental impacts thereof.

Because it is not known where future CBP facilities will be installed, there may be locations in which energy and/or natural gas services are not available within the immediate vicinity of a given CBP site. As such, MM **UTIL-2** would ensure that a subsequent CEQA documentation is prepared for projects that require extension or development of such infrastructure, which will ensure that any impacts are appropriately assessed and mitigated. Ultimately, through the implementation of mitigation, the CBP would have a less than significant impact related to construction of new or expansion or modifications to existing energy and natural gas facilities.

Telecommunications: The types of facilities proposed as part of the CBP typically would not require extension of telecommunication services. However, given that the facilities proposed as part the CBP have not been designed, there is a potential for certain facilities (such as facilities proposed that would require full-time personnel on site or otherwise require connection to telecommunication facilities) to require extension of telecommunication infrastructure as part of operation. As such, given that the location of most future CBP facilities is unknown, Mitigation Measure **UTIL-3** would be required to ensure that impacts related to extension of infrastructure are minimized for the proposed CBP projects that would require telecommunication services by requiring project-specific subsequent CEQA documentation for projects proposed at sites without immediate access to telecommunication connections.

Because it is not known where future CBP facilities will be installed, there may be locations in which telecommunication services are not available within the immediate vicinity of a given CBP site. As such, MM **UTIL-3** would ensure that a subsequent CEQA documentation is prepared for projects that require extension or development of such infrastructure, which will ensure that any impacts are appropriately assessed and mitigated. Ultimately, through the implementation of mitigation, the CBP would have a less than significant impact related to construction of new or expansion or modifications to existing telecommunications facilities.

Mitigation Measures

The IEUA has determined that the proposed project could contribute potentially significant construction-related greenhouse gas emissions, therefore resulting in a significant impact related to construction or new or expansion or modifications to existing water facilities under utilities and service systems. All other issues under utilities and service systems can be mitigated through the implementation of the following measures:

- UTIL-1:** *Implementation of a Drainage Plan to Reduce Downstream Flows. Prior to issuance of permits for construction of project facilities, IEUA shall prepare a drainage plan that includes design features to reduce stormwater peak concentration flows exiting the above ground facility sites (consistent with MS4 requirements) so that the capacities of the existing downstream drainage facilities are not exceeded. These design features could include bio-retention, sand infiltration, return of stormwater for treatment within the treatment plant, and/or detention facilities.*
- UTIL-2:** *For future CBP projects that do not have access to electrical or natural gas connections in the immediate vicinity (defined here as a 1,000-foot buffer from a given project site), and will require either extension of infrastructure or creation of new infrastructure to meet electricity and/or natural gas needs at a future CBP facility site, subsequent CEQA documentation shall be prepared that fully analyzes the impacts that would result from extension or development of electrical or natural gas infrastructure.*
- UTIL-3:** *For future CBP projects that do not have access to telecommunication connections in the immediate vicinity (defined here as a 1,000-foot buffer from a given project site), and will require either*

extension of infrastructure or creation of new infrastructure to meet telecommunication needs at a future CBP facility site, subsequent CEQA documentation shall be prepared that fully analyzes the impacts that would result from extension or development of electrical or natural gas infrastructure.

GHG-1: *IEUA shall implement all feasible GHG reduction measures during construction. These may include, but should not be limited to, the following measures identified in the CAPCOA 2010 report, Quantifying Greenhouse Gas Mitigation Measures:*

- *Use alternative fuels for construction equipment*
- *Use electric and hybrid construction equipment*
- *Limit construction equipment idling beyond regulation requirements*
- *Institute a heavy-duty off-road vehicle plan*
- *Implement a construction vehicle inventory tracking system*

With implementation of the recommended GHG mitigation measures identified Subchapter 4.9, the Greenhouse Gas Section of the PEIR, GHG emissions may still exceed the SCAQMD thresholds for construction activities. While construction related impacts are mitigated to the maximum extent feasible, no feasible mitigation exists to completely avoid generating significant greenhouse gas emissions within the Chino Basin as a result of implementing these water and wastewater infrastructure projects.

The IEUA Board finds that with the implementation of the above measures, impacts from greenhouse gas emissions generated by future CBP construction and operations would be reduced or controlled to the maximum extent feasible, thereby minimizing the potential for the CBP to cause a significant impact related to the extension of water and wastewater infrastructure. Regardless, no feasible mitigation is available to minimize construction-related GHG emissions to a level of insignificance. Thus, exceedances of applicable SCAQMD thresholds are considered significant and unavoidable, and therefore the proposed CBP could result in significant and unavoidable impacts related to construction or new or expansion or modifications to existing water and wastewater facilities.

Based upon the findings presented in the Final PEIR, the above-described environmental issue has been determined by IEUA to be: (1) adequately addressed in the FPEIR; and (2) impacted to a degree deemed by IEUA to be significant and unavoidable because of the limited ability of the project to fully mitigate biological resource, greenhouse gas emission, and utilities and service systems impacts. No substantial evidence was subsequently presented to or identified by IEUA which further modified or otherwise altered IEUA's significant and unavoidable impact finding with mitigation determined for these environmental issues. This concludes the summary of environmental impacts that were identified in the FPEIR as unavoidable significant adverse impacts even with mitigation related to implementation of the proposed project.

G. ALTERNATIVES TO THE PROPOSED ACTION

The California Environmental Quality Act (CEQA) requires discussion of reasonable project alternatives that could feasibly attain most of the project's objectives (CEQA Guidelines §15126.6). CEQA requires that an PEIR evaluate a reasonable range of alternatives to the project, or to the location of the project that: (1) offers substantial environmental advantages over the proposed project, and (2) may be feasibly accomplished in a successful manner and within a reasonable period of time considering the economic, environmental, legal, social, and technological factors involved.

The purpose in analyzing alternatives to a proposed project is to determine if a feasible or reasonable alternatives "are capable of avoiding or substantially lessening any significant effects of the project, even if these alternatives would impede to some degree the attainment of the project objectives, or would be more costly" (CEQA Guidelines, Section 15126.6(b)). The CBP project objectives are to:

- Maintain Permit Compliance for the Continued Use of Recycled Water in the Chino Groundwater Basin.
- Maintain Commitments for Salt Management to Enable Sustainable Use of Recycled Water in the Basin.
- Develop Infrastructure That Addresses Long Term Supply Vulnerabilities.
- Provide a Source of Water for Emergency Response; and,
- Develop an Integrated Solution to Produce State and Federal Environmental Benefits.

The unavoidable significant adverse impacts identified from project implementation are the biological resource ("a," "b," and "d"), greenhouse gas ("a"), and utilities and service systems ("a") impacts. Based upon data provided in the DPEIR, it was concluded that the proposed project could result in significant adverse impacts to biological resources because CBP project operations may result in a reduction in surface flows in the Santa Ana River and into Prado Basin, which, when combined with Low Impact Development ordinances, local policies, and municipal storm water detention regulations will encourage water conservation and flow detention, could result in a cumulative reduction in surface flows reaching Prado Basin, in turn resulting in potential contributions to cumulatively significant impacts to the Santa Ana Sucker due to the reduction in cumulative flows to the Santa Ana River. Additionally, it was concluded that, even with the implementation of mitigation measures designed to reduce greenhouse gas emissions, the CBP would generate construction-related GHG emissions in exceedance of the approximated SCAQMD threshold for 2030 of 6,000 MT of CO₂e per year during the most intensive year of construction activities (2027) and cannot ensure that electricity supporting CBP operations would be obtained from carbon-neutral electricity sources by 2045. Finally, it was concluded that the proposed CBP would result in significant impacts related to the construction-related GHG emissions that would result from the extension of water- and wastewater-related infrastructure, as such water and wastewater infrastructure impacts under Utilities and Service Systems are considered significant and unavoidable.

Since mitigation has already been identified to minimize biological resource ("a," "b," and "d"), greenhouse gas ("a" and "b"), and utilities and service systems ("a") impacts within the CBP project area, an alternative that would reduce project-related biological resource, greenhouse gas emission, and utilities and service systems impacts to below a level of significance would result in not implementing the CBP.

Among the factors that may be taken into account when addressing the feasibility of alternatives are environmental impacts, site suitability, economic viability, availability of infrastructure, regulatory limitations, jurisdictional boundaries and whether the applicant could reasonably acquire, control, or otherwise have access to the alternative option. (CEQA Guidelines §15126.6(f)(1)) Since management of water resources in the Chino Basin is an activity that cannot be conducted at another location, this evaluation will not give further consideration to an alternative location for the project. Thus, an alternative location evaluation was rejected as infeasible and unable to meet basic project objectives. A project outside of the Chino Basin cannot achieve the fundamental project objective.

It is the goal of the CBP to enhance both the SWP and the Central Valley Project for the betterment of operations, environment, resilience, and reliability. The CBP will be developed to provide flexibility to regional and local water operations, particularly during future extended droughts expected as climate change continues to impact California. New injection and extraction facilities, conveyance facilities, and water system interconnections will allow more optimal management of local water supplies, including improved storage and recovery operations, as well as redundancies in water delivery infrastructure that will facilitate future rehabilitation and replacement needs. No major changes in the CBP have been identified at this stage that can be implemented without harming its ability to meet the essential program objective of enhancing both the SWP and the Central Valley Project for the betterment of operations, environment, resilience, and reliability, in addition to providing flexibility to regional and local water operations. For example, deferring installation of CBP infrastructure in any given year to reduce construction-related GHG would simply increase the amount of construction required in the following year, thus raising GHG emissions. Therefore, a reduction of the CBP scope in any given year cannot achieve the fundamental project objectives.

One of the alternatives that must be evaluated in an EIR is the “no project alternative,” regardless of whether it is a feasible alternative to the project, i.e. would meet the project objectives or requirements. In this case, the CBP PEIR evaluated a No Project Alternative that reflects a “no action” alternative that makes salient the potential impacts and practical results redounding from IEUA not approving the CBP and taking no actions to resolve regulatory compliance issues within the Basin from continued recycled water use. Under this alternative, the environmental impacts that would occur if the CBP facilities and programs are not implemented are evaluated. Under this No Project Alternative, there would be no expansion of existing recycled water systems or groundwater by member agencies of IEUA. Anticipated future growth would generally be served with imported potable water and local agencies would need to increase their water purchases or implement more restrictive conservation programs to satisfy potable water demand. If the ambient water quality in the Chino Basin is not maintained per the RWQCB’s TDS limit, there will be greater dependence on imported water and local stormwater supplies, which are highly volatile and impacted by climate change. Since the Basin only receives imported water from one regional pipeline that is owned and operated by MWD, an unplanned or catastrophic occurrence could cut off 25 percent of the Basin’s water supply. Ultimately, the No Project Alternative’s no action approach would result in the Basin being out of regulatory compliance, threaten water supply, and does not meet IEUA’s objectives.

As such, and as required by CEQA, a second, reduced development, alternative that also meets the requirements of analyzing a “no project” alternative is provided below as the Baseline Water Quality Action Alternative. The reason for distinguishing these two alternatives is that for IEUA to take “no action” towards maintaining regulatory compliance means that at some point it will be out of compliance and ultimately, in order for IEUA to continue its operations, an advanced water purification facility would be required in order to comply with its RWQCB permits. As such, the CBP analyzes the environmental consequences of a true “no action” alternative, in addition to the Baseline Water Quality Action Alternative to meet the provisions of CEQA Guidelines Section 15126.6(e)(3)(A) and (B). Though there are a number of solutions that IEUA could implement to address the groundwater recharge challenges associated with TDS and contaminants of emerging concern, none are as optimal as the implementation of advanced water purification. The Baseline Water Quality Action Alternative (BWQAA) would address TDS levels for both direct use of recycled water and groundwater recharge and could also help address the challenges associated with Title 22 regulations. The BWQAA considers a centrally located advanced water purification system can be linked with the existing distribution system providing greater flexibility for use of the advanced treated water, providing greater benefit to the region as an available

supply and solutions for brine discharge that are more economically feasible. Also, it has the potential to be integrated in the future as direct potable reuse when such regulations are adopted. The BWQAA is only designed to meet water quality related regulatory challenges and does not include infrastructure to enhance regional water supply. As a result, the BWQAA provides water quality benefits to IEUA and the region, but no water supply, ecosystem, or emergency supply benefits are realized through the BWQAA.

Finally, the CBP also analyzes a Regional Water Quality and Reliability Plan Alternative, which addresses regional water quality and water supply challenges. The Regional Water Quality and Reliability Plan Alternative would collectively treat and store up to 15,000 AFY of recycled water in the Chino Basin, creating a new local water supply. This water will be available for local use for the 50-year project life of the alternative, thereby reducing dependence on imported water, improving water quality, and providing a new local water supply for the Basin. The production of high-quality water in the Chino Basin will deliver regional benefits in the form of enhanced water quality. The Regional Water Quality and Reliability Plan Alternative will also deliver regional benefits in the form of local water supply benefits available annually to offset the cost of imported water from MWD as well as to reduce the economic impact of supply shortages when MWD is unable to deliver full water supplies.

Therefore, the PEIR considered three alternatives: the No Project Alternative; the Baseline Water Quality Action Alternative; and the Regional Water Quality and Reliability Plan Alternative.

NO PROJECT ALTERNATIVE

A summary comparative discussion of the No Project Alternative (NPA) in terms of the specific issues evaluated in the PEIR (Aesthetics, Agriculture and Forestry Resources, Air Quality, Cultural Resources, Geology and Soils, Hazards and Hazardous Materials, Hydrology and Water Quality, Land Use and Planning, Mineral Resources, Noise, Population and Housing, Public Services, Recreation, Transportation, Tribal Cultural Resources, and Wildfire). The following text assesses the impacts for the categories with unavoidable significant effects: Biological Resources, Greenhouse Gas Emissions, and Utilities and Service Systems.

Biological Resources: The NPA will have no significant biological resource impacts as it would not require any diversions from the Santa Ana River. The elimination of diversions from the Santa Ana River has the potential to eliminate the potentially significant impacts to the Santa Ana Sucker. When mitigation is implemented—primarily avoidance of biologically sensitive areas or compensation to offset losses to sensitive biological resources—the proposed CBP approaches the level of significance regarding biological resource to those that would result from the NPA's impacts, but a potential still exists for significant impacts under the CBP as a result of the diversion of recycled water from the Santa Ana River thus impacting the Santa Ana Sucker as the available mitigation to protect this species cannot be guaranteed to minimize impacts below significance thresholds. Under the NPA, no facilities would be installed that could impact site specific biological resources, and recycled water discharge would continue from IEUA as it does at present, thus eliminating the potential for contributing to cumulative impacts to species or habitat supported by the Santa Ana River. As such, under this evaluation and set of assumptions, the CBP's effects on biological resources is considered to be greater than the NPA, and the NPA would avoid a significant impact on biological resources that would otherwise result from implementation of the CBP.

It should be noted, however, that the NPA would eliminate the potential environmental benefit that would result from the CBP. As discussed in Chapter 3 of this DPEIR, the CBP would provide

environmental benefit in call years, which will likely be in dry seasons, to improve habitat conditions enabling Feather River salmonid species greater chance for survival. The NPA would not only forgo this environmental benefit, but it would also result in a threat to the reliability of water supply in the Chino Basin. Given this, the NPA is not considered environmentally superior to the CBP in the area of biological resources.

Greenhouse Gas: The NPA would not result in any new facilities that have been proposed to operate the CBP. The IEUA and member agencies would instead continue in a business-as-usual manner, which ultimately would result in the Chino Basin being out of regulatory compliance due to the continued use of recycled water containing higher levels of TDS. Anticipated future growth would generally be served with imported potable water, and local agencies would need to increase their water purchases or implement more restrictive conservation programs to satisfy potable water demand. With no specific facilities required under the NPA, the NPA would have minimal potential to result in significant greenhouse impacts. Because no expansion of existing recycled water systems or groundwater by member agencies of IEUA would occur, including the addition of an AWPf in conjunction with PUT and TAKE facilities as proposed by the CBP, greenhouse gas (GHG) emissions under the NPA would likely be less than those of the proposed CBP. Given that the NPA represents an alternative with no new construction or operational activities outside of the scope of a business-as-usual scenario (i.e., continuation of practices that have already been evaluated and approved under CEQA or that fall outside of the scope of CEQA), the NPA would have no potential to generate GHG emissions, either directly or indirectly, that may have a significant impact on the environment or conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of GHGs. As such, under this evaluation and set of assumptions, the NPA would result in fewer overall construction and operational GHG emissions compared to the proposed CBP. The proposed CBP would result in significant and unavoidable GHG impacts, while the NPA would not result in any significant impacts thereof. As such, the NPA would avoid a significant impact on biological resources that would otherwise result from implementation of the CBP.

Utilities and Service Systems: The NPA would not result in any new facilities that have been proposed to operate under the CBP. Anticipated future growth would generally be served with imported potable water and local agencies would need to increase their water purchases or implement more restrictive conservation programs to satisfy potable water demand. Under the CBP, significant impacts to stormwater drainage, energy, natural gas telecommunications, or solid waste were determined to be less than significant with the implementation of mitigation, and under the NPA, specifically as it relates to utilities infrastructure, it is anticipated that no impact to these utility systems would occur. Under the CBP mitigation is required to minimize impacts related to stormwater through implementation of a drainage plan to reduce downstream flows for future CBP projects; this would be not required to implement the NPA, as IEUA would continue operating its existing facilities in the same manner as it would at present. The CBP would generate solid waste during operation and construction and mitigation is required to address potential impacts related to solid waste to a level of insignificance. In contrast, under the NPA, the IEUA would not cause any impacts to solid waste as it would be required to comply with mandatory regulations pertaining to solid waste, and would not generate any new sources of solid waste requiring additional analysis.

The construction of infrastructure related to energy and natural gas and telecommunication under the CBP was analyzed and determined to be less than significant with the implementation of mitigation. This mitigation would not be required to reduce impacts under the NPA, as existing facilities are currently served by adequate electricity and natural gas, and telecommunication service systems. Under the CBP, the construction of infrastructure related to telecommunications

was determined to be less than significant with the implementation of mitigation; this mitigation would not be required to reduce impacts under the NPA, as existing facilities are currently serviced by adequate telecommunication systems. As such, for the issues of solid waste and stormwater drainage, electricity, natural gas, and telecommunications, the CBP would require mitigation to minimize impacts to a level of less than significant, while the BWQAA would not require mitigation to achieve this level of impact, but neither would result in significant impacts in these areas.

The extension of water and wastewater related infrastructure was determined to be significant under the CBP, while the NPA would eliminate those potentially significant construction-related GHG emissions impacts. Under both the NPA and the CBP, sufficient capacities are anticipated to be available at IEUA and area wastewater treatment plants. However, the resulting recycled water from the wastewater treatment plants may become unusable if the Basin would become out of regulatory compliance. If the ambient water quality in the Basin is not maintained per the RWQCB's TDS limit, there will be greater dependence on imported water and local stormwater supplies, which are highly volatile and impacted by climate change. Since the Basin only receives imported water from one regional pipeline that is owned and operated by MWD, an unplanned or catastrophic occurrence could cut off 25 percent of the Basin's water supply. A No Action approach results in the Chino Basin being out of regulatory compliance and threatens water supply. Therefore, when compared to the CBP, which would ensure that IEUA and member agencies would have sufficient water supplies available to serve the Basin and reasonably foreseeable future development during normal, dry and multiple dry years, once mitigation is implemented, the NPA would have a potential to result in a significant impact as under this alternative, the provision of sufficient water supply is not guaranteed. As such, under this evaluation and set of assumptions the proposed project effects on utilities and service systems would be significant, and as such would not eliminate the significant impact that is anticipated to occur under the CBP. Impacts from both the CBP and the NPA would be significant and unavoidable under this issue.

While the No Project Alternative (NPA) would reduce impacts related to Biological Resources, GHG emissions and a part of Utilities and Service Systems below significance levels, the NPA has a potential to result in a significant impact to the Basin's hydrology resources and water quality characteristics, and may impact the sustainability of the Basin's groundwater supply, thereby resulting in significant Hydrology and Water Quality and Utilities and Service Systems impacts. As such, the NPA is not considered to be the environmentally superior alternative. Additionally, the ability to attain the goals and objectives of the CBP under this alternative would be virtually eliminated.

BASELINE WATER QUALITY ACTION ALTERNATIVE

The reduced development BWQAA was included in the PEIR in accordance with CEQA Guidelines Section 15126.6(e)(3)(A) and (B). Given that it is reasonably foreseeable that, without the implementation of the CBP, actions will need to be taken to ensure that IEUA remains in regulatory compliance through its continued operations, the BWQAA (Alternative 1), is provided to address this foreseeable result.

Under the BWQAA, centrally located advanced water purification facilities will be used with IEUA's existing conveyance system to help address the region's regulatory compliance challenges. The expected effluent TDS concentration from the AWPf is 100 mg/L. The AWPf would have a capacity comparable to that which is proposed by the CBP, and similarly, would be located at RP-4. This low-TDS recycled water could be used to meet discharge obligations to the Santa Ana River, or for blending into IEUA's existing recycled water distribution system using existing

conveyance, significantly reducing recycled water TDS concentrations. Once blended into IEUA's recycled water distribution system, the augmented recycled water supply could be used for groundwater recharge or for indirect potable use.

Table 5-1
ALTERNATIVE 1: BASELINE WATER QUALITY ACTION ALTERNATIVE FACILITIES

Parameter	Description
AWPF	
Location	RP-4
Process	MF/RO/UV-AOP
Capacity (AFY)	15,000 ¹
Purified water conveyance	
Pump station	
Location	RP-4
Size	1,500 HP
Brine conveyance	
Disposal system	NRWS
Pipeline	1,400 feet (8-inch)

Notes: 1 Phased with 9,000 AFY online by 2030 and the remaining 6,000 AFY by 2040

HP: horsepower; MF: membrane filtration; RO: reverse osmosis; UV-AOP: ultraviolet advanced oxidation process

A summary comparative discussion of the Baseline Water Quality Action Alternative (BWQAA) in terms of the specific issues evaluated in the PEIR found not to be significant (Aesthetics, Agriculture and Forestry Resources, Air Quality, Cultural Resources, Geology and Soils, Hazards and Hazardous Materials, Hydrology and Water Quality, Land Use and Planning, Mineral Resources, Noise, Population and Housing, Public Services, Recreation, Transportation, Tribal Cultural Resources, and Wildfire) can be found in the CBP PEIR. The following text assesses the impacts for the categories with unavoidable significant effects: Biological Resources, Greenhouse Gas Emissions, and Utilities and Service Systems.

Biological Resources: As with the CBP, development of the BWQAA would result in diversion of recycled water from the Santa Ana River through the development of a new AWPf with an ultimate capacity of 15,000 AFY, requiring a diversion of 17,000 AFY in total to support the AWPf operations. However, unlike the CBP, under the BWQAA, the diversions would continue to the Santa Ana River in comparable amounts to that which occur at present. Thus, the recycled water would be treated to a higher quality and discharged or recharged in comparable amounts to those that would occur under IEUA's current operations. As such, while development of the CBP would have a potential to cause significant unavoidable adverse impact to biological resources, specifically though the cumulative contribution to potential significant impacts to the Santa Ana Sucker due to the reduction in cumulative flows to the Santa Ana River, the BWQAA would not contribute to this cumulatively considerable impact on the Santa Ana Sucker, as IEUA would not be forecast to reduce flows thereto. Furthermore, the potential for impacting site-specific biological resources would be lessened under the BWQAA when compared to the CBP, which would implement a greater number of facilities at locations presently unknown. Thus, there is a potential that a future CBP facility may be developed in an area containing significant biological resources; however, mitigation is available to ensure that a future CBP facility would not be developed in an area containing significant biological resources that cannot be avoided. These same measures would apply to the facilities that would be developed under the BWQAA, though it is likely less

measures would be required due to the anticipated development within existing developed sites. As such, under this evaluation and set of assumptions, the proposed CBP's effects on biological resources would likely be greater than the BWQAA, and the BWQAA would avoid a significant impact on biological resources that would otherwise result from implementation of the CBP.

It should be noted too, that the BWQAA would eliminate the potential environmental benefit that would result from the CBP. As discussed in Chapter 3 of the PEIR, the CBP would provide environmental benefits in call years, which will likely be in dry seasons, to improve habitat conditions enabling Feather River salmonid species greater chance for survival.

Greenhouse Gas: The BWQAA would include construction of an AWPf and a pump station at RP-4 as well as a brine pipeline. Similar to the proposed CBP, construction and operation of these components would generate GHG emissions. However, because fewer facilities would be constructed under the BWQAA as compared to the proposed CBP (e.g., no groundwater wells, no storage reservoir, no wellhead treatment facilities), construction and operational GHG emissions would likely be lower than those of the proposed CBP. As such, while the CBP could result in significant construction GHG construction emissions even with the implementation of MM **GHG-1**, the BWQAA would not result in significant construction emissions, as it would require less intensive construction than the CBP. As such, the CBP would avoid a potentially significant construction-related GHG emissions impact.

As with the proposed CBP, this alternative would not exceed the statewide 2030 target through generation of indirect GHG emissions associated with electricity consumption because IEUA would likely procure electricity from SCE, which is on-track to achieve 60 percent renewables by 2030. As the proposed CBP and, by extension the BWQAA, have long operational horizons, it is not possible to know with certainty that the BWQAA, which would contribute less operational GHG emissions than the CBP as a result of the minimal energy intensive facilities required to facilitate its operation, would procure its electricity from carbon-neutral electricity sources by 2045. This analysis assumes that, due to the focused types of facilities required to operate the BWQAA—i.e., an AWPf at RP-4, at which, the phased capacity approach could possibly enable the planning of alternative energy sources to serve this facility by IEUA, a pump station, and a brine pipeline—electricity would likely be procured from carbon-neutral electricity sources by 2045. However, because of the uncertainty surrounding future power mix and energy demands, this assumption is not guaranteed, and therefore, it is possible that a significant operations-related GHG impact could also occur with the BWQAA should the future power mix fail to meet the carbon-neutral electricity requirement by 2045.

While the CBP would result in the net reduction of GHG emissions associated with the CBP's avoidance of SWP imports during call years, the BWQAA would not facilitate a water exchange with MWD, and as such, it would not result in a direct offset of energy emissions related to utilization of imported water in the Basin. Ultimately, similar to the proposed CBP, the operations-related GHG emissions impacts of this alternative would be potentially significant, even with the implementation of MM **GHG-2**. Implementation of MM **GHG-2** may reduce the energy usage and associated GHG emissions of facilities constructed under the BWQAA and increase the percentage of electricity supplied to the proposed facilities by renewable energy resources, which would reduce operational GHG emissions. Nevertheless, as with the proposed CBP, implementation of MM **GHG-2** may not fully mitigate the impacts of the BWQAA if IEUA is not able to supply the remaining electricity demand of these facilities from carbon-neutral electricity sources by 2045 or otherwise mitigate the operational emissions of the BWQAA. As such, under this evaluation and set of assumptions, while the BWQAA would likely result in fewer overall construction and operational GHG emissions, the level of significance of its GHG emissions

impacts would be similar to that which would occur under the CBP and would therefore be potentially significant and unavoidable.

Utilities and Service Systems: Under the CBP, significant impacts to stormwater drainage, energy, natural gas telecommunications, or solid waste were determined to be less than significant with the implementation of mitigation, and it is anticipated that the BWQAA would have comparable, but less potential to impact these utility systems than the CBP. Under the CBP mitigation is required to minimize impacts related to stormwater through implementation of a drainage plan to reduce downstream flows for future CBP projects; this would be required to minimize impacts from the AWPf, pump station, and brine pipeline that would be developed under the BWQAA. As the BWQAA and CBP would both generate solid waste during operation and construction, with the BWQAA generating less solid waste than the CBP, mitigation is required to address potential impacts related to solid waste. The construction of infrastructure related to energy and natural gas, and telecommunications under the CBP was analyzed and determined to be less than significant with the implementation of mitigation. This mitigation would not be required to reduce impacts under the BWQAA as this alternative would be installed within RP-4, which already has access to electricity and telecommunication services, and the brine pipeline would not require electricity beyond the pump station required at RP-4. As such, for the issues of electricity, natural gas, and telecommunications, the CBP would require mitigation to minimize impacts to a level of less than significant, while the BWQAA would not require mitigation to achieve this level of impact. However, for the issues of solid waste and stormwater drainage, mitigation would be required to minimize impacts to a level of less than significant for both the CBP and the BWQAA.

The extension of water and wastewater related infrastructure was determined to be potentially significant under the CBP, and as the BWQAA by eliminating those potentially significant construction-related GHG emissions impacts, would eliminate the potential for those significant impacts to occur. As with the CBP, the BWQAA would ensure the provision of sufficient wastewater treatment capacity at area wastewater treatment plants through mitigation ensuring subsequent CEQA documentation is required where more brine conveyance capacity is required than area brine disposal facilities can accommodate. This is required because the BWQAA would generate similar, though slightly less overall brine from the AWPf process. The CBP would generate additional brine associated with wellhead treatment facilities that are not considered under the BWQAA. Construction of the CBP has the potential to hinder statewide GHG emissions targets, and therefore the proposed CBP could result in significant and unavoidable impacts related to construction of new or expansion or modifications to existing water and wastewater facilities. Given that the BWQAA eliminates the potential for this construction-related GHG emissions impact as a result of the less intensive construction scenario required to develop the facility, and also due to the phased capacity approach proposed by the BWQAA, the BWQAA would eliminate the potentially significant utilities and service systems impact when compared to the CBP.

The BWQAA would lessen impacts in all categories to a level of less than significant, though it would continue to contribute to significant operational GHG emissions. The BWQAA would not require as intensive construction, as it does not propose the same intensity of facilities proposed by the CBP. As such, the BWQAA would result in lessened environmental impacts for all other resource issues and would also avoid potentially significant impacts under Biological Resources and Utilities and Service Systems, though significant operations related GHG impacts could still occur under this alternative. The BWQAA would not create any new significant impacts beyond those identified by the CBP. As such, it is considered an environmentally superior alternative to the CBP; however, the BWQAA would not achieve many of the CBP's objectives.

While the BWQAA would meet permit compliance for the continued use of recycled water in the Chino Basin and would maintain commitments for salt management to enable sustainable use of recycled water in the Basin, the BWQAA would not develop infrastructure that addresses long term supply vulnerabilities, provide a source of water for emergency response, or develop an integrated solution to produce State and federal environmental benefits.

REGIONAL WATER QUALITY AND RELIABILITY PLAN ALTERNATIVE

The Regional Water Quality and Reliability Plan (Alternative 2), builds upon the BWQAA to address regional water quality and water supply challenges.

Table 5-2
AWPF AND PUT FACILITIES FOR ALTERNATIVE 2:
REGIONAL WATER QUALITY AND RELIABILITY PLAN

Parameter	Description
Recharge Locations	MZ-2
AWPF	
Location	RP-4
Process	MF/RO/UV-AOP
Capacity (AFY)	15,000
Purified water conveyance	
Pipelines	7.1 miles (8-inch to 30-inch)
Pump station	
Location	RP-4
Size	1,500 HP
Number of injection wells	16 (12 duty, 4 standby)
Brine conveyance	
Disposal system	NRWS
Pipeline	1,400 feet (8-inch)

HP: horsepower; MF: membrane filtration; RO: reverse osmosis; UV-AOP: ultraviolet advanced oxidation process

The Regional Water Quality and Reliability Plan would collectively treat and store up to 15,000 AFY of recycled water in the Chino Basin, creating a new local water supply. This water will be available for local use for the 50-year project life of the alternative, thereby reducing dependence on imported water, improving water quality, and providing a new local water supply for the Basin. The Regional Water Quality and Reliability Plan would include a network of regional pipelines that would provide the ability for IEUA and its member agencies to access stored water in the Chino Basin, connecting these new potable water supplies for use in lieu of planned water deliveries from MWD. These new water conveyance and water system interconnections also provide an important alternative source of water supply to IEUA and its member agencies during any required shutdown of MWD's major pipelines delivering water to the region, such as the Rialto Pipeline, which is planned for rehabilitation as part of a larger rehabilitation plan of MWD's pipelines within its service area.

The production of high-quality water in the Chino Basin will deliver regional benefits in the form of enhanced water quality. The Regional Water Quality and Reliability Plan will also deliver regional benefits in the form of local water supply benefits available annually to offset the cost of imported

water from MWD as well as to reduce the economic impact of supply shortages when MWD is unable to deliver full water supplies. In addition, the Regional Water Quality and Reliability Plan provides local emergency supply benefits in years when planned or unplanned service disruptions occur.

A summary comparative discussion of the Regional Water Quality and Reliability Plan in terms of the specific issues evaluated in the PEIR found not to be significant (Aesthetics, Agriculture and Forestry Resources, Air Quality, Cultural Resources, Geology and Soils, Hazards and Hazardous Materials, Hydrology and Water Quality, Land Use and Planning, Mineral Resources, Noise, Population and Housing, Public Services, Recreation, Transportation, Tribal Cultural Resources, and Wildfire) can be found in the CBP PEIR. The following text assesses the impacts for the categories with unavoidable significant effects: Biological Resources, Greenhouse Gas Emissions, and Utilities and Service Systems.

Biological Resources: As with the CBP, development of Alternative 2 would result in diversion of recycled water from the Santa Ana River through the development of a new AWPf with an ultimate capacity of 15,000 AFY, requiring a diversion of 17,000 AFY in total to support the AWPf operations. As such, the potentially significant impact identified under this issue that could result from the CBP's diversion of flow to the Santa Ana River could also occur under Alternative 2. Furthermore, because the specific locations for future CBP and Alternative 2 projects are not presently known, there is a potential that a future facility for both may be developed in an area containing significant biological resources that cannot be avoided. Substantial mitigation provided under the CBP would therefore apply to Alternative 2 to ensure that a future facility would not be developed in an area containing significant biological resources that cannot be avoided. However, it has been determined that even with the implementation of substantial mitigation measures to avoid contributing to cumulatively considerable impacts to covered species and supporting habitat, which can be mitigated by implementing the HCP, impacts to one species may not be completely avoided. Thus, both the CBP and Alternative 2 could potentially cause a significant unavoidable adverse impact to biological resources, specifically implementation could contribute cumulatively to potentially significant impacts to the Santa Ana Sucker due to a reduction in cumulative flows to the Santa Ana River.

It should be noted that Alternative 2 would eliminate the potential environmental benefit that would result from the CBP. As discussed in Chapter 3 of this DPEIR, the CBP would provide environmental benefit in call years, which will likely be in dry seasons, to improve habitat conditions enabling Feather River salmonid species greater chance for survival.

Greenhouse Gas: Similar to the proposed CBP, construction and operation of these components would generate GHG emissions. Modestly fewer facilities would be constructed under Alternative 2 as compared to the proposed CBP. Therefore, construction and operational GHG emissions would likely be somewhat lower than those of the proposed CBP. Given the comparable levels of construction required to develop the facilities proposed under Alternative 2, construction related GHG impacts would be the same as those projected for the CBP. As such, while MM **GHG-1** would minimize impacts to the greatest extent feasible, construction-related impacts from implementation of both the CBP and Alternative 2 could be potentially significant.

As with the proposed CBP, this alternative would not generate indirect GHG emissions associated with electricity consumption that exceed the statewide 2030 target because IEUA would likely procure electricity from SCE, which is on-track to achieve 60 percent renewables by 2030. However, similar to the proposed CBP, Alternative 2 would potentially fail to procure its electricity from carbon-neutral electricity sources by 2045 because of the uncertainty surrounding the future

power mix and energy demands. Furthermore, Alternative 2 would not have the potential to result in the net reduction of GHG emissions associated with the CBP's avoidance of SWP imports during call years. Therefore, similar to the proposed CBP, the GHG emissions impacts of Alternative 2 could be potentially significant and implementation of MM **GHG-2** would be required. Nevertheless, implementation of MM **GHG-2** may not fully mitigate the impacts of Alternative 2 if IEUA is not able to supply the remaining electricity demand of these facilities from carbon-neutral electricity sources by 2045 or otherwise mitigate the operational emissions of Alternative 2. As such, under this evaluation and set of assumptions, Alternative 2 would likely result in similar or potentially cumulatively greater overall construction or operational GHG emissions, and the level of significance of the GHG emissions impacts of Alternative 2 would be similar to that which would occur under the CBP and both could be significant and unavoidable.

Utilities and Service Systems: Under the CBP, significant impacts to stormwater drainage, energy, natural gas telecommunications, or solid waste were determined to be less than significant with the implementation of mitigation, and as with the CBP, specifically as it relates to utilities infrastructure, it is anticipated that Alternative 2 would have a comparable potential to impact these utility systems as the CBP. Under the CBP, mitigation is required to minimize impacts related to stormwater through implementation of a drainage plan to reduce downstream flows for future CBP projects; this would be required to minimize impacts from the facilities that would be developed under Alternative 2. As Alternative 2 and CBP would both generate solid waste during operation and construction, mitigation is required to address potential impacts related to solid waste. The construction of infrastructure related to energy and natural gas, and telecommunications under the CBP was analyzed and determined to be less than significant with the implementation of mitigation. This mitigation would also be required to reduce those same impacts under Alternative 2 as this alternative would be installed within locations that have not yet been selected. Thus, for the issues of solid waste, stormwater drainage, electricity, natural gas, and telecommunications, mitigation would be required to minimize impacts to a level of less than significant for both the CBP and Alternative 2.

The extension of water and wastewater related infrastructure was determined to be potentially significant under the CBP, and as Alternative 2 would not eliminate the significant construction-related GHG emissions impact, Alternative 2 could also have a potential for similar significant impacts to occur. As with the CBP, Alternative 2 would ensure the provision of sufficient wastewater treatment capacity at area wastewater treatment plants through mitigation. This is required because Alternative 2 would generate similar amounts of brine from the AWPf process. As previously stated, the CBP could result in potentially significant impacts related to construction-related GHG emissions that would exceed the approximated SCAQMD threshold for 2030 of 6,000 MT of CO₂e per year during the most intensive year of construction activities (2027), and therefore could potentially hinder the statewide GHG emission reduction target for 2030 that would result from the extension of water- and wastewater-related infrastructure. As such, construction of the CBP has the potential to hinder statewide GHG emissions targets, and therefore could result in significant and unavoidable impacts related to construction of new or expansion or modifications to existing water and wastewater facilities. Given that Alternative 2 does not eliminate the potential for this construction-related GHG emissions impact, Alternative 2 could likewise result in comparable impacts; thus, under both the CBP and Alternative 2, utilities and service systems impacts are significant and unavoidable.

Alternative 2 is comparable to the CBP in terms of environmental impacts because Alternative 2 would result in the development of nearly identical facilities to the CBP, excepting those which the CBP requires in order to connect to MWD's water distribution system. It is possible that, due to reduction in pipeline lengths and turnouts required under this alternative when compared to the

CBP, the construction related GHG emissions impact would be eliminated, but given the comparable construction scenarios, the elimination of this construction related GHG impact is not guaranteed. Furthermore, because Alternative 2 would not result in offset electricity consumption that would result from the water exchange with the SWP created by the CBP, it is likely the Alternative 2 would result in greater GHG emissions than would the CBP, and as such would not eliminate the operations-related GHG impact. Note that Alternative 2 would ultimately reduce reliance on imported water, thus some of the energy related GHG emissions that may result from operation of Alternative 2 facilities would ultimately be offset by reducing reliance on the energy intensive imported water source. Regardless, Alternative 2 could result in a significant operations-related GHG emissions impact. Furthermore, Alternative 2 would not eliminate significant Biological Resources or Utilities and Service Systems impacts. As such, while Alternative 2 would lessen significant impacts under GHG, it would not eliminate significant impacts under any of the categories for which significant impacts have been identified under the CBP. Therefore, Alternative 2 cannot be considered an environmentally superior alternative.

Furthermore, while Alternative 2 would meet nearly all of the CBP's objectives, it would not meet one of the IEUA's basic objectives, which is to develop an integrated solution to produce State and federal environmental benefits. As such, under Alternative 2, the improvement of habitat conditions enabling Feather River salmonid species greater chance for survival would be eliminated, thus failing to meet this project objective.

CONCLUSION

The "no action" No Project Alternative (NPA) analyzed above would ultimately not be feasible as it would lead to IEUA having to take actions in order to comply with mandatory regulatory requirements in order to continue operating as usual. As such, the NPA analyzed above would neither be feasible nor would it meet the fundamental project objectives outlined in the CBP Project Description. The NPA generally has lessened environmental impacts for all of the resource issues except for hydrology and water quality issues, as it is forecast to result in new significant unavoidable adverse impacts to hydrology and water quality, and would cause greater significant unavoidable adverse impacts under utilities and service systems than the CBP. This is because the NPA would result in the Chino Basin being out of regulatory compliance and would threaten water supply reliability. In the final analysis, the NPA clearly cannot be considered the environmentally superior alternative to the proposed project from a total environmental standpoint, because the environmental damage from "implementing" it is forecast to cause a significant adverse impact when compared to implementing CBP. It should be noted too, that the NPA would eliminate the potential environmental benefit that would result from the CBP. As discussed in Chapter 3 of this DPEIR, the CBP would provide environmental benefit in call years, which will likely be in dry seasons, to improve habitat conditions enabling Feather River salmonid species greater chance for survival. The NPA would not only forgo this environmental benefit, but it would also result in a threat to the reliability of water supply in the Chino Basin. Given this, the NPA is not considered an environmentally superior alternative.

The practical result of IEUA not approving the CBP would be IEUA at some point having to build a reduced development project like the Baseline Water Quality Action Alternative (BWQAA; Alternative 1), as a way to provide the facilities required in order for the use of recycled water in the Chino Basin to continue under current permits and regulations. The reduced development BWQAA, which as noted above is basically a "practical result" no project alternative, would lessen environmental impacts in all categories to a level of less than significant, though it could continue to contribute to potentially significant operational GHG emissions. This is because, while it is likely that electricity would be procured from carbon-neutral electricity sources by 2045, it is possible

that a significant operations-related GHG impact could occur should the future power mix fail to meet the carbon-neutral electricity requirement by 2045. The BWQAA would not require as intensive construction as the CBP, and as such the BWQAA would not create any new significant impacts beyond those identified by the CBP and result in lessened environmental impacts compared to the CBP. The BWQAA would also avoid Biological Resources and Utilities and Service Systems significant impacts, although potentially significant operations related GHG impacts could still occur under it. As such, the BWQAA is considered the environmentally superior alternative to the CBP, though the BWQAA would not achieve several of the CBP's basic objectives. While the BWQAA would meet permit compliance for the continued use of recycled water in the Chino Basin and would maintain commitments for salt management to enable sustainable use of recycled water in the Basin, the BWQAA would not develop infrastructure that addresses long term supply vulnerabilities, provide a source of water for emergency response, or develop an integrated solution to produce State and federal environmental benefits.

The Regional Water Quality and Reliability Plan Alternative (Alternative 2) is comparable to the CBP in terms of environmental impacts. Because Alternative 2 would result in the development of nearly identical facilities to the CBP, excepting those which the CBP requires in order to connect to MWD's water distribution system, most of the impacts related to Alternative 2 are the same as those identified under the CBP. It is possible that, due to reduction in pipeline lengths and turnouts required under Alternative 2 when compared to the CBP, the construction related GHG emissions impact would be eliminated, but given the comparable construction scenarios, the elimination of this construction related GHG impact is not guaranteed. However, because Alternative 2 would not result in offset electricity consumption that would redound from the water exchange with the SWP created by the CBP, it is likely the Alternative 2 would result in greater GHG emissions than would the CBP, and as such would not eliminate operations-related GHG impact. Note that Alternative 2 would ultimately reduce reliance on imported water; thus, some of the energy related GHG emissions that may result from operation of Alternative 2 facilities would ultimately be offset by reducing reliance on the energy intensive imported water source. Regardless, Alternative 2 would result in a significant operations-related GHG emissions impact. Furthermore, Alternative 2 would not eliminate significant Biological Resources or Utilities and Service Systems impacts. As such, while Alternative 2 would lessen significant impacts under GHG, it would not eliminate significant impacts under any of the categories for which significant impacts have been identified under the CBP. Therefore, Alternative 2 cannot be considered an environmentally superior alternative to the CBP.

Furthermore, while Alternative 2 would meet nearly all of the CBP's objectives, it would not meet one of the IEUA's basic objectives, which is to develop an integrated solution to produce State and federal environmental benefits. As such, under Alternative 2, the improvement of habitat conditions enabling Feather River salmonid species greater chance for survival would be eliminated, thus failing to meet this project objective.

This concludes the summary of alternatives that were identified and considered in the FPEIR and their feasibility and capability to be implemented to reduce the identified significant impacts to biological resource, greenhouse gas emission, and utilities and service systems.

H. PROJECT BENEFITS

The IEUA Board proposes to achieve the key objectives of the CBP—Maintain long-term permit compliance for the continued use of recycled water in the Chino Groundwater Basin; Maintain commitments for salt management to enable sustainable use of recycled water in the Basin;

Develop infrastructure that addresses long term supply vulnerabilities; Provide a source of water for emergency response; and Implement an integrated solution to produce state and Federal environmental benefits. IEUA has proposed to implement a series of one-time actions and ongoing management processes that help provide flexibility to regional and local water operations, particularly during future extended droughts expected as climate change continues to impact California. The term for the water exchange program proposed by the CBP will be fixed at 25 years for a total volume of 375,000 acre-feet, after which time the CBP will be devoted to meeting local water management needs while fulfilling commitments to improve water quality in the Chino Groundwater Basin and provide a source of emergency water supply.

BENEFITS OF IMPLEMENTING THE PROPOSED PROJECT

1. **Environmental benefits:** The CBP would develop new southern California advanced water treatment supplies to be stored in the Chino Groundwater Basin and exchanged in dry years for southern California-bound SWP supplies stored in northern California. The stored northern California water would subsequently be released as multi-day pulse flows to support anadromous fish populations in the Feather River and the Sacramento-San Joaquin Delta (Delta), providing a statewide public benefit.
 - Populations of native Chinook salmon have declined dramatically since European settlement of the Central Valley in the mid-1800s. California's salmon resources began to decline in the late 1800s and continue to decline. As urban and agricultural development of the Central Valley continued, numerous other stressors to anadromous salmonids emerged and continue to affect the viability of these fish today. Some of the more important stressors include: the high demand for limited water supply resulting in reduced instream flows, increased water temperatures and highly altered hydrology in the Sacramento-San Joaquin Delta, barriers to historic habitat, widespread loss of tidal marsh, riparian and floodplain habitat, poor water quality, commercial and/or recreational harvest, and predation from introduced species such as striped bass.
 - The provision of pulse flows through the implementation of the CBP and the cumulative contribution to pulse flows from similar projects would provide environmental benefit to a species that has experienced severe stressors in recent decades. For instance, temperatures during the summer and shoulder seasons (late Spring and early Fall) in recent years have been at a record high, thus causing significant impact on the salmonid species found in the Feather River and Sacramento-San Joaquin Delta. Therefore, the CBP would provide a tangible benefit to minimizing the aforementioned stressors on this species through future State-managed pulse flows.
2. **Water supply benefits:** Proposed facilities under the CBP would provide a new average annual water supply of 15,000 AFY. During the 25-year Water Storage Investment Program (WSIP) water exchange commitment period, the majority of this new water supply would be committed to environmental purposes through an exchange for SWP water supplies currently delivered to MWD. During that time, economic water supply benefits would still be produced for IEUA through savings associated with use of highly reliable local water supplies in lieu of Metropolitan deliveries and the CBP facilities could be used by IEUA and its member agencies when not needed for the Water Storage Investment Program (WSIP) commitment. After the 25-year WSIP water exchange commitment, all new water supplies produced by new infrastructure would be available for local use without restriction, with very high reliability as the wastewater generated within IEUA's service area and the Chino Basin region is anticipated to grow over the next several decades. Additional extraction, conveyance, and

interconnection facilities would improve the ability to manage water supplies within the Chino Basin for local use during all years and during years under which planned infrastructure maintenance and rehabilitation occurs. The CBP would also allow IEUA to avoid costs associated with procuring water supplies during years when MWD is unable to deliver full contract supplies, resulting in water shortage avoidance benefits.

3. **Emergency response benefits:** New water stored in the Chino Groundwater Basin will enhance emergency response water supply availability for IEUA and other participating agencies during crises such as prolonged drought, or catastrophic events or other infrastructure failure that limits delivery of imported water supplies. Given the great distances that imported supplies travel to reach the Inland Empire, the region is vulnerable to interruptions along hundreds of miles of aqueducts, pipelines, and other facilities associated with delivering the supplies to the region. The CBP would include provisions to provide up to 50,000 AFY of stored water in the Chino Groundwater Basin under emergency conditions to local agencies or regionally by utilizing MWD's water distribution system, thus providing emergency response benefits through the program's implementation.
4. **Additional Regional Benefits:** CBP conjunctive use operations and new interconnection infrastructure could support additional investment for expanded use of the Chino Basin for water storage/conjunctive use programs that provide corresponding benefits to the Chino Basin. The CBP will also improve IEUA's ability to manage water supplies within the Chino Basin during planned infrastructure shutdown, such as the Rialto Pipeline rehabilitation, which is anticipated to result in supply interruptions for up to 18 months beginning in 2033, and provide additional flexibility in managing Chino Basin groundwater for water quality issues and subsidence.
5. **Maintain Hydraulic Control:** The CBP would be required to and has been assessed to be capable of being implemented in a manner that would continue to enable Watermaster and Stakeholders to maintain hydraulic control, and minimize subsidence, prevent material physical injury (MPI), and manage plume movement through extensive monitoring and mitigation efforts.
6. **Maintain Commitments for Salt Management to Sustain and Enhance the Safe Yield of the Chino Groundwater Basin:** Recycled water is an increasingly essential asset to the region, particularly with the uncertain future of imported water supplies due to climate change and environmental factors. Since 2000, recycled water use within the region has increased by as much as seven times, with recharge of this water also increasing over the last 10 years. Recycled water is the region's most climate resilient water supply because the amount of water available is not affected by dry years. Today, recycled water makes up approximately 20 percent of IEUA's water supply portfolio and hundreds of millions of dollars have been invested into the regional recycled water program. Applications for recycled water face challenges in terms of changing wastewater quality and treatment requirements due to increases in indoor and outdoor water use efficiency standards and increasing regulatory and environmental requirements. Additionally, the use of recycled water is impacted by the groundwater quality of the Chino Groundwater Basin. Specifically, the applications for recycled water become constrained if the salinity in the Basin rises beyond specified regulatory limits. Maintaining and expanding recycled water projects to manage these challenges will both increase the resiliency of the regional water supplies and help to augment safe yield of the Chino Groundwater Basin through increased recharge of high-quality recycled water. The CBP would develop a new AWPf that would have a potential to reduce

recycled water TDS levels to 100 milligrams per liter (mg/L), with an overall blended target of 500 – 515 mg/L. Thus, the proposed CBP would provide a benefit to area water quality.

7. **Creation of New Jobs:** While the CBP would not create a significant permanent work force, it would create opportunities for skilled construction work throughout the construction period within which the proposed CBP facilities would be installed. It is expected that the maximum number of construction workers that would be employed to install CBP facilities is about 600 persons. Additionally, the CBP will create about 15 high-quality permanent job opportunities to serve future CBP facilities.
8. **Opportunity for Grant Funding to Offset some Construction and Operational Costs:** On November 17, 2021, the California Water Commission (CWC) approved the CBP continuing its work towards final approval of \$215 million awarded under the Water Storage Investment Program (WSIP). The Proposition 1 WSIP funding available for the CBP would result in lower costs to IEUA over the 50-year project life, thus providing an economic benefit to the region, should the CBP be implemented.
9. **Present Value Benefit:** The CBP would provide a present value benefit of roughly \$1.25 billion dollars, with a total capital cost of \$1.17 billion dollars, thus the economic benefit of the proposed project has been assessed to outweigh the cost of implementing the proposed project.

I. STATEMENT OF OVERRIDING CONSIDERATIONS

This section of the findings addresses the requirements in CEQA Section 21081(b) and CEQA Guidelines Section 15093 requiring the Lead Agency to balance the benefits of the proposed project against its unavoidable significant adverse impacts, and to determine whether the project-related significant impacts can be acceptably overridden by the project benefits when the impacts/benefits are compared and balanced. As outlined in Section F above, the proposed project is forecast to contribute to cumulative, unavoidable significant adverse environmental impacts in three environmental categories: biological resources, greenhouse gas emissions, and utilities and service systems.

The IEUA Board finds that the previously stated benefits of the proposed project, outlined in Section G above and as are forecast to result from implementation of the CBP, outweigh the cumulative unavoidable adverse environmental effects to biological resources, greenhouse gas emissions, and utilities and service systems that have been outlined above. From IEUA's perspective, IEUA finds that the proposed CBP fulfills the objectives of meeting permit compliance for the continued use of recycled water in the Chino Groundwater Basin; maintaining commitments for salt management to enable sustainable use of recycled water in the Basin; developing infrastructure that addresses long term supply vulnerabilities; providing a source of water for emergency response; and, developing an integrated solution to produce State and Federal environmental benefits.

The objective to meet permit compliance for the continued use of recycled water in the Chino Groundwater Basin would be met through the provision of groundwater recharge facilities to recharge high quality, low TDS recycled water, which would reduce TDS levels within the Chino Groundwater Basin. Furthermore, the CBP would facilitate salt management through the proposed AWPf with an expected effluent concentration of 100 mg/L, thus enabling sustainable use of recycled water in the Basin into the future. Additionally, the CBP would improve the use of recycled water at a regional level through new regional pipelines enabling greater potential access

to recycled water, and would enhance local groundwater supplies through the installation of additional extraction wells and through the installation of new wellhead treatment systems that would bring existing out-of-service wells online. Long-term supply vulnerabilities would thus be addressed. By investing in Basin-wide water supply infrastructure and local supplies, water supply reliability is improved through enhanced emergency response, improved groundwater supply and quality management, and expansion of recycled water supplies. This robust water supply portfolio available to the region will be more resilient and less susceptible to catastrophic events and the effects of climate change. Additionally, the CBP would provide an integrated solution to produce State and Federal environmental benefits through the dedication of environmental benefit by minimizing the stressors on this salmonid species through future State-managed pulse flows.

Construction-related employment of highly trained workers created by the proposed project would have an important short-term benefit to the Inland Empire communities, as would the long-term employment opportunities of such workers that would be created by the operation of future CBP facilities. Ultimately, there are numerous benefits from implementation of the CBP due to the importance of the sustainable management of water within the Chino Basin, specifically management of recycled water impacts on the Basin through the provision of a new highly treated recycled water generated by the new AWPf.

Thus, the IEUA Board concludes that the benefits outlined above, that accrue to the community from authorizing the implementation of the proposed project, outweigh the unavoidable significant adverse impacts to biological resources, greenhouse gas emissions, and utilities and service systems identified in the FPEIR and described above. The benefits stated in the previous Section H are considered sufficient to offset the significant adverse effects that cannot be avoided if the project is implemented.

The IEUA Board's findings set forth in the preceding sections have identified all of the adverse environmental impacts and feasible mitigation measures which can reduce potential adverse environmental impacts to insignificant levels where feasible, or to the lowest achievable levels where significant unavoidable adverse environmental impacts remain. The findings have also analyzed alternatives to determine whether they are reasonable or feasible alternatives to the proposed action, or whether alternatives might reduce or eliminate the significant biological resources, greenhouse gas emissions, and utilities and service systems impacts of the proposed action. No feasible alternative can achieve the requisite minimization of biological resources, greenhouse gas emissions, and utilities and service systems impacts without (a) avoiding a significant adverse impact to hydrology and water quality, and/or (b) achieving key project goals and objectives.

The CBP FPEIR presents evidence that implementing the proposed project will contribute to significant adverse biological resources, greenhouse gas emissions, and utilities and service systems impacts which cannot be assuredly mitigated to a less than significant level. These significant impacts have been outlined above and presented in detail in the PEIR and the IEUA Board finds that all feasible alternatives and mitigation measures have been adopted or identified for implementation by the IEUA and/or partner agencies, where appropriate. Nonetheless, the IEUA Board recognizes significant adverse effects remain after imposition of all feasible mitigation in the areas of biological resources, greenhouse gas emissions, and utilities and service systems, which are nevertheless offset by the substantial list of benefits described in Section H hereof.

The IEUA Board finds that the project's benefits are substantial as outlined in Section H and that these benefits, individually and collectively, justify overriding the unavoidable significant adverse impacts associated with the proposed project. This finding is supported by the fact that the

benefits listed above result in the proposed project fulfilling the objectives of meeting permit compliance for the continued use of recycled water in the Chino Groundwater Basin; maintaining commitments for salt management to enable sustainable use of recycled water in the Basin; developing infrastructure that addresses long term supply vulnerabilities; providing a source of water for emergency response; and, developing an integrated solution to produce state and Federal environmental benefits. The CBP could not be implemented outside of the Chino Basin, as the management actions proposed cannot be attained at any other location, or in another alternative manner without additional, equal or greater adverse impacts, and without meeting the project objectives.

Thus, the IEUA Board concludes that the proposed project's benefits offset the adverse impacts to biological resources, greenhouse gas emissions, and utilities and service systems that may result from implementing the CBP. The IEUA Board further finds that the benefits outlined above, when balanced against the unavoidable significant adverse environmental impacts, outweigh these impacts because of the environmental, social, and economic benefits which accrue to IEUA, Watermaster, the stakeholders, and the residents in its service area as outlined in Section H hereof.

As the CEQA Lead Agency for the proposed action, the IEUA Board has independently reviewed the applicable sections of this document and the CBP FPEIR, and fully understands the scope of impacts caused by implementation of the proposed project. Further, the IEUA Board finds that all potential adverse environmental impacts and all feasible mitigation measures to reduce these impacts have been identified in the FPEIR, public comment, and public testimony. These impacts and mitigation measures are discussed above in Section D and E, and the Board concurs with the facts and findings contained in those sections. The IEUA Board also finds that a reasonable range of alternatives was considered in the PEIR, as summarized above in Section G, and that no feasible alternatives which substantially lessen project impacts are available for adoption.

The IEUA Board concurs with the extensive environmental, economic, legal, social, technological and employment benefits identified above, which will accrue to the Chino Basin groundwater resources, the IEUA and its partner agencies, and the population residing within Chino Basin. The Board has balanced these substantial benefits against the unavoidable significant adverse environmental effects of the proposed project. Given that these substantial benefits will support the residents of the Chino Basin over the long term if the CBP is implemented, the IEUA Board hereby finds that the benefits identified herein, collectively and individually, outweigh the unavoidable, cumulative significant adverse biological resources, greenhouse gas emissions, and utilities and service systems impacts, and hereby override these impacts to obtain the benefits listed in Section H that will result from approval and implementation of this project.

CLERK OF THE
BOARD OF SUPERVISORS**DATE FILED & POSTED**Posted On: 05/20/2022Removed On: 07/01/2022Receipt No: No. 05202022-357

2022 MAY 20 AM 10:24

NOTICE OF DETERMINATION

COUNTY OF SAN BERNARDINO
CALIFORNIA
Office of Planning & Research
State Clearinghouse
1400 Tenth Street
Sacramento, CA 95814

From: Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, CA 91708

and

San Bernardino County Clerk of the Board
385 North Arrowhead Avenue
San Bernardino, CA 92415

Subject: Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.

Inland Empire Utilities Agency (IEUA) Chino Basin Program PEIR

SCH#2021090310
State Clearinghouse Number

Elizabeth Hurst
Lead Agency Contact Person

(909) 993-1634
Telephone Number

Project Location

The proposed project would occur within IEUA's service area, which occurs almost entirely within the Chino Groundwater Basin (Chino Basin). IEUA's service area is located in western San Bernardino County, and serves approximately 875,000 residents in a 242-square mile service area, while the Chino Basin consists of about 235-square miles of the upper Santa Ana River watershed. The Chino Basin is bounded:

- on the north by the San Gabriel Mountains and the Cucamonga Basin;
- on the east by the Rialto-Colton Basin, Jurupa Hills, and the Pedley Hills;
- on the south by the La Sierra Hills and the Temescal Basin; and
- on the west by the Chino Hills, Puente Hills, and the Spadra, Pomona, and Claremont Basins.

The Chino Basin is mapped within the USGS – Corona North, Cucamonga Peak, Devore, Fontana, Guasti, Mount Baldy, Ontario, Prado Dam, Riverside West and San Dimas Quadrangles, 7.5 Minute Series topographic maps. The center of the Basin is located near the intersection of Haven Avenue and Mission Boulevard at Longitude 34.038040N, and Latitude 117.575954W.

The majority of the infrastructure proposed as part of the CBP is proposed in the northern portion of the Basin, north of the Interstate 10 Freeway.

Project Description

The CBP was submitted for Proposition 1 – Water Storage Investment Program (WSIP) funding and was awarded \$206.9M in conditional funding in July 2018. Under the WSIP, the CBP is proposed to be a 25-year conjunctive use project that proposes to use advanced water purification to treat and store up to 15,000 acre-feet-per-year (AFY) of recycled water in the Chino Basin and extract the water during call years, which will likely be in dry seasons. The CBP would increase additional available groundwater supplies in the adjudicated Chino Basin through increased water recycling that would result from operation of a new Advanced Water Purification Facility (AWPF) and through groundwater storage by operation of new injection wells. The CBP would then dedicate a commensurate amount of water generated by the AWPF for Chino Basin use to provide for an exchange of State Water Project supplies in Lake Oroville in northern California that would otherwise be delivered to Southern California. The additional Lake Oroville water would subsequently be released in the form of pulse flows in the Feather River to improve habitat conditions for native salmonids and achieve environmental benefits. In order to accomplish the water exchange outlined above, the CBP would install new water and wastewater type infrastructure within the Chino Basin, and would ultimately result in additional groundwater supply therein.

CLERK OF THE
BOARD OF SUPERVISORS**Notice of Determination, page 2 of 2**


2022 MAY 20 AM 10: 25

This is to advise that the Inland Empire Utilities Agency has approved the above described project on☒ Lead Agency ☐ Responsible AgencyMay 18, 2022 and has made the following determination regarding the above described project:
(Date)

1. The project [☒ will ☐ will not] have a significant effect on the environment.
2. ☒ An Environmental Impact Report was prepared for this project pursuant to the provisions of CEQA.
☐ A Mitigated Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures [☒ were ☐ were not] made a condition of the approval of the project and a Mitigation Monitoring and Reporting Plan was adopted.
4. A Statement of Overriding Considerations [☒ was ☐ was not] adopted for this project.
5. Findings [☒ were ☐ were not] made pursuant to the provisions of CEQA.

This is to certify that the Environmental Impact Report and record of project approval is available to the general public at:

Inland Empire Utilities Agency at 6075 Kimball Avenue, Chino, CA 91708 or online at:
<https://www.ieua.org/read-our-reports/public-notices/>


SignatureChino Basin Program Manager
Title5/18/2022
Date



State of California - Department of Fish and Wildlife
2022 ENVIRONMENTAL DOCUMENT FILING FEE
CASH RECEIPT
 DFW 753.5a (REV. 01/01/22) Previously DFG 753.5a

Print

Start Over

Save

RECEIPT NUMBER:

36 — 05202022 — 357

STATE CLEARINGHOUSE NUMBER (If applicable)

2021090310

SEE INSTRUCTIONS ON REVERSE. TYPE OR PRINT CLEARLY.

LEAD AGENCY

Inland Empire Utilities Agency

LEAD AGENCY EMAIL

DATE

05202022

COUNTY/STATE AGENCY OF FILING

San Bernardino

DOCUMENT NUMBER

PROJECT TITLE

Inland Empire Utilities Agency (IEUA) Chino Basin Program PEIR

PROJECT APPLICANT NAME

Inland Empire Utilities Agency

PROJECT APPLICANT EMAIL

PHONE NUMBER

(909)993-1634

PROJECT APPLICANT ADDRESS

6075 Kimball Avenue

CITY

Chino

STATE

CA

ZIP CODE

91708

PROJECT APPLICANT (Check appropriate box)



Local Public Agency



School District



Other Special District



State Agency



Private Entity

CHECK APPLICABLE FEES:



Environmental Impact Report (EIR)

\$3,539.25

\$

3,539.25



Mitigated/Negative Declaration (MND)(ND)

\$2,548.00

\$

0.00



Certified Regulatory Program (CRP) document - payment due directly to CDFW

\$1,203.25

\$

0.00



Exempt from fee



Notice of Exemption (attach)



CDFW No Effect Determination (attach)



Fee previously paid (attach previously issued cash receipt copy)



Water Right Application or Petition Fee (State Water Resources Control Board only)

\$850.00

\$

0.00



County documentary handling fee

\$

50.00



Other

\$

PAYMENT METHOD:



Cash



Credit



Check



Other

TOTAL RECEIVED

\$

3,589.25

SIGNATURE

AGENCY OF FILING PRINTED NAME AND TITLE

Lisa Arredondo, Deputy Clerk



One Water & Stewardship Committee

Authorize exchange agreement with
Inland Empire Utilities Agency to
assist in the implementation of the
Chino Basin Program

Item 7-6

October 7, 2024

Item 7-6 Chino Basin Program

Subject

Review and consider the Lead Agency's certified 2022 Final Environmental Impact Report for the Chino Basin Program and take related CEQA actions, and authorize the General Manager to enter into an exchange agreement with Inland Empire Utilities Agency to assist in the implementation of the program

Purpose

Metropolitan has been collaborating with IEUA on the Chino Basin Program in a role of facilitating State Water Contract partner

Recommendation

Authorize the General Manager to enter into an exchange agreement with Inland Empire Utilities Agency

Fiscal and Budget Impact

No fiscal impact. Participation in the program will improve regional reliability and provide access to additional emergency supplies for Metropolitan's service area

Chino Basin Program (CBP) Overview

California Department of Fish and Wildlife indicated pulse flows would only occur in below normal and dry years

IEUA's pulse flow obligation to State is 375 TAF (less credits for carriage water)

Lake Oroville



Fish and habitat benefit

Pulse Flow to Delta

Metropolitan to transfer portion of Table A supplies to Department of Water Resources (max 40 TAF in one year) for pulse flows

California Aqueduct

IEUA to repay Metropolitan through in-lieu production (30 TAF) and direct pump-in (10 TAF) to Rialto Pipeline

Chino Basin Program



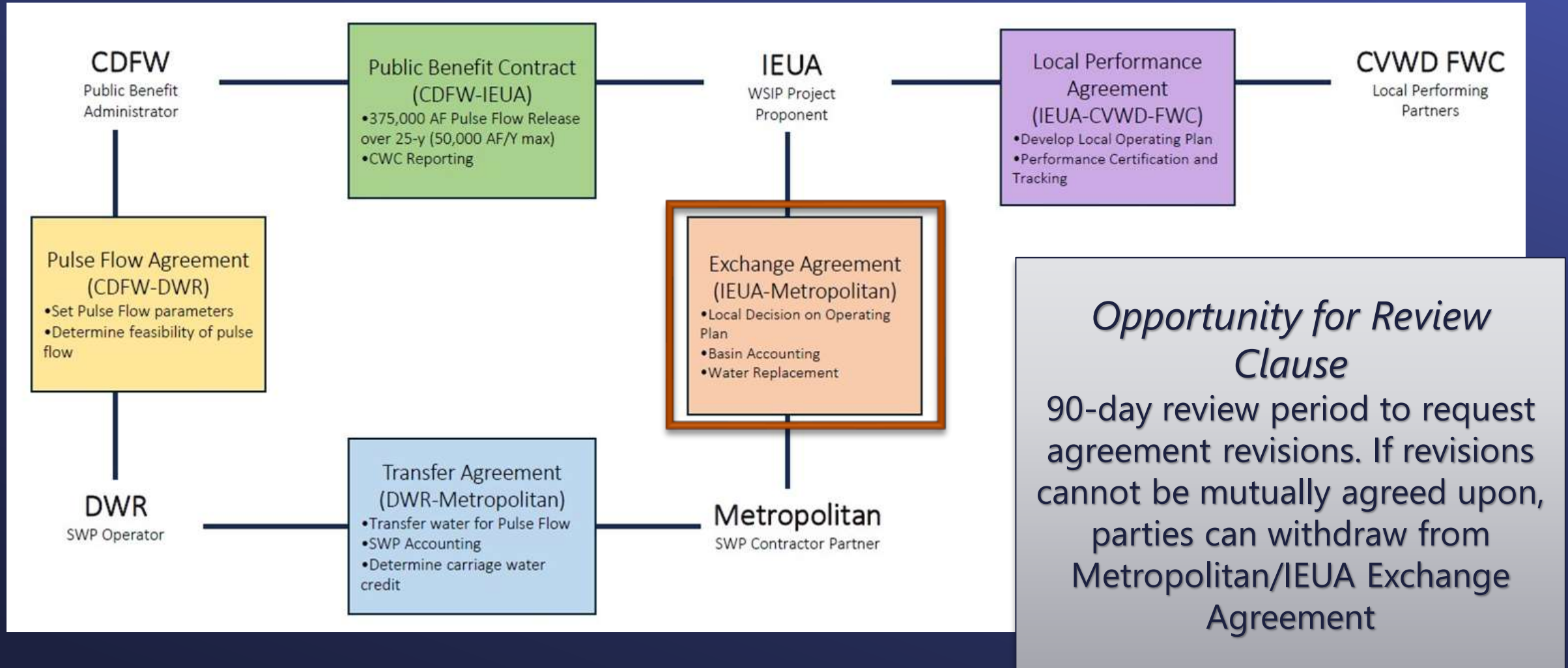
Local supply benefit once State obligation fulfilled



Emergency use benefit (50 TAF) system flexibility

Metropolitan service area

Agreements Needed for Program Execution



Metropolitan/ IEUA Exchange Agreement Terms – Planning, Design, and Construction

- Agreement does not commit Metropolitan to participate in funding or operation of CBP Facilities
 - Metropolitan will operate, maintain, administer Rialto pipeline service connection for pump-in operations
- Metropolitan will not have any ownership of CBP Facilities
- IEUA will have primary CEQA responsibility for the program and necessary facilities

Exchange Agreement Terms – Operation and Performance

Operating Committee

- Jointly formed with staff from both parties
- Will develop Annual Operating Plan to evaluate feasibility of pulse flow exchange each year, timing of payback, availability of Metropolitan supplies, etc

Local Performance

- IEUA repayment to Metropolitan completed by end of calendar year that follows pulse flow call year
- IEUA Take or Pay contract to pay supply rate for 30 TAF

Emergency Use

- Provides up to 50 TAF (40 TAF in one year) for emergency use situations
- Metropolitan should be able to initiate provision, provided enough supplies in storage

Pump-in Water Quality

- Consistent with Metropolitan's Policy for Acceptance of New Water into Conveyance Facilities (2001)
- Metropolitan must approve water quality and pump-in proposal prior to any operations

Metropolitan/ IEUA Exchange Agreement Terms – Failure to Perform

- Failure to perform agreed upon exchange is referred to as “non-performance”
- Metropolitan’s non-performance refers to the inability or unwillingness to transfer its Table A supplies to the State
 - Metropolitan is responsible for any State financial or water remuneration incurred by IEUA for Metropolitan non-performance
- IEUA’s non-performance refers to inability to execute the agreed upon pump-in or in-lieu amount

Metropolitan/ IEUA Exchange Agreement Terms – Failure to Perform

- IEUA to return non-performance water as soon as possible but no later than 12-months from notice of non-performance
- Three options to return non-performance water:
 - 1) Buy the water outright from Metropolitan (cyclic storage or similar)
 - 2) Deliver water purchased on open market to Metropolitan through Rialto Pipeline
 - 3) Implement an operating committee-approved alternative
- If repayment of non-performance extends beyond 12-months after notice, IEUA will purchase 1.5 times remaining non-performance water quantity as cyclic storage water

Next Steps

- Staff will continue working with IEUA on other necessary agreements
- Continue to support program development
 - Staff participating in CBP preliminary design report efforts beginning at the end of October
- Design and construction for CBP facilities are expected to begin in 2025 and 2027, respectively
- Program expected operational by 2032

Board Options

- Option #1
 - Review and consider the Lead Agency's certified 2022 Final Environmental Impact Report for the Chino Basin Program and take related CEQA actions, and authorize the General Manager to enter into an exchange agreement with Inland Empire Utilities Agency to assist in the implementation of the program
- Option #2
 - Do not authorize the General Manager to enter into an exchange agreement with Inland Empire Utilities Agency to assist in the implementation of the Chino Basin Program

Staff Recommendation

- Option #1





- **Board of Directors**
One Water and Stewardship Committee

10/8/2024 Board Meeting

7-7

Subject

Authorize the General Manager to enter into agreements with Western Canal Water District and Richvale Irrigation District for water transfer options and first rights of refusal during 2025 through 2027; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

Staff is seeking authorization to enter into agreements with Western Canal Water District (Western) and Richvale Irrigation District (Richvale) for single-year water transfers during 2025 through 2027. Staff brought the proposed agreements to the Board as an information item in September 2024 and received feedback on term, budget, and water availability. Under the proposed agreements, Metropolitan would pay a one-time upfront option payment to each agency, located in the Feather River service area, for the first right to annually call on each agency's available water transfer supplies during 2025 through 2027. The proposed option payment would secure the first right to purchase available water transfer supplies from each agency at fixed prices tied to the final State Water Project (SWP) allocation. The option payment is \$250,000 for each of the two agencies. The call price for water made available is \$965 per acre-foot at SWP allocations of 20 percent or less and \$600 per acre-foot at SWP allocations greater than 20 percent. Western and Richvale may annually transfer up to a combined 52,800 acre-feet.

Staff has been exploring new water transfer partnerships to improve access to limited north-of-Delta water transfer supplies for use during dry years. The purpose of the new agreements is to secure exclusive first-right access to the available water to help maximize the quantity of water that Metropolitan can purchase. Maximizing access to these transfer supplies will improve dry-year reliability that can reach the entire service area, including Metropolitan's SWP-dependent area over the next three years as Metropolitan pursues infrastructure projects to expand the reach of Colorado River and locally stored supplies. The proposed agreements will help meet the Board's commitment to providing equitable reliability across Metropolitan's service area by increasing the potential availability of SWP supplies.

Proposed Action(s)/Recommendation(s) and Options

Staff Recommendation: Option #1

Option #1

Authorize the General Manager to enter into agreements with Western Canal Water District and Richvale Irrigation District for water transfer options and first rights of refusal during 2025 through 2027.

Fiscal Impact: The fiscal impact in the current 2024/25 fiscal year would be the one-time option payment of \$500,000, and up to \$51 million annually for water purchases in the event the maximum amount of water were purchased under a low State Water Project allocation (20 percent or less). These costs were not included in the biennial budget for fiscal years 24/25 and 25/26 and would be sourced from budgeted funds from the

Water Supply Program and State Water Project budget. Potential purchases in fiscal years beyond the current biennium would be considered in the requested budget for Water Supply Programs for those future years.

Business Analysis: These agreements would provide first-right access to up to 52,800 acre-feet of north-of-Delta water transfer supplies, that if purchased, would improve drought reliability for the SWP-dependent area.

Option #2

Do not authorize the General Manager to enter into agreements with Western Canal Water District and Richvale Irrigation District for water transfer options and first rights of refusal during 2025 through 2027.

Fiscal Impact: Not authorizing the agreements could result in unspent funds in the Water Supply Program and SWP budget that would have otherwise been used to fund the option payments and potential water purchases in dry years.

Business Analysis: Metropolitan would likely purchase fewer north-of-Delta water transfer supplies, have decreased flexibility in responding to future drought conditions, and increased challenges in meeting equitable reliability for all member agencies.

Applicable Policy

Metropolitan Water District Administrative Code Section 4203: Water Transfer Policy

Metropolitan Water District Administrative Code Section 8121: General Authority of the General Manager to Enter Contracts

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By Minute Item 52946, dated August 16, 2022, the Board adopted a resolution committing to regional reliability for all member agencies.

Related Board Action(s)/Future Action(s)

None

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is exempt under the provisions of CEQA and the State CEQA Guidelines. The proposed action involves entering into agreements with Western Canal Water District and Richvale Irrigation District to pursue water transfer supplies for 2025 through 2027 associated with the operation of existing public water conveyance facilities with negligible or no expansion of use and no possibility of significantly impacting the physical environment. (State CEQA Guidelines Section 15301).

CEQA determination for Option #2:

None required

Details and Background

Background

Staff has been exploring water transfer partnerships to help improve dry-year reliability, particularly for water that can be delivered to the entire service area and help meet the needs of the SWP-dependent area. The Board has supported the pursuit of water transfers with various parties through annual authorizations and authorized the General Manager to secure up to \$100 million of water transfer supplies in 2022 and up to \$50 million of water transfer supplies in 2023. Since 2008, Metropolitan has purchased dry-year water transfers from sellers north of the Delta via a buyers group facilitated by the State Water Contractors (SWC). However, during the recent drought years of 2021 and 2022, Metropolitan's share of purchases via the SWC buyers group was only 6,000 to 8,000 acre-feet. To maximize the potential water transfers available to Metropolitan, staff proposes entering into option agreements with Western and Richvale for the exclusive first right to purchase their available water transfer supplies from 2025 through 2027.

Sellers

Western and Richvale are agricultural water districts in the Feather River service area in Butte County with pre-1914 surface water rights. The districts have a diversion agreement with the State of California Department of Water Resources (DWR) to receive their water supplies via Thermalito Afterbay, downstream of Oroville Reservoir. Land in these districts is irrigated primarily for rice production. Water is made available for transfer solely by crop idling (fallowing) participating fields during May through December.

Both agencies have historically sold water transfer supplies to SWP contractors, including Metropolitan, via the SWC buyers group. In recent years, Western and Richvale sold transfers in 2008 to 2010, 2012, 2014, and 2018, with total combined volumes ranging from approximately 13,000 acre-feet in 2009 to over 56,000 acre-feet in 2014. Notably, the districts did not sell water in 2015, 2021, or 2022 because DWR curtailed contract deliveries to the districts by 50 percent pursuant to the drought provisions in their diversion agreement. These drought provisions allow for DWR to reduce diversion quantities by up to 50 percent in one year and no more than 100 percent in any series of seven consecutive years. Because the districts were curtailed in 2021 and 2022, it is now less likely that they will face a drought-related reduction in supplies through the end of 2027 and thus more likely that they will have water available for transfer.

Proposed Agreements

Staff is proposing two separate option agreements, one with each agency, that will provide the framework for Metropolitan having the first right to annually call on available transfer supplies from 2025 through 2027. Under the framework, Western and Richvale would decide each year whether to offer any water for sale. Metropolitan would then have the first right to purchase any of the water offered in each year. Key provisions of the proposed agreements include:

- *Term* – The term is through 2027 to coincide with the covered period for water transfers in the Addendum to the Final Environmental Impact Report for the Western Canal Water District and Richvale Irrigation District Water Transfers from 2018 to 2022. The Addendum was certified by Western and Richvale in 2022 and extended the covered period for water transfers for five years, from 2023 to 2027.
- *Option Payment* – Metropolitan will pay Western and Richvale \$250,000 each (a total of \$500,000) for the exclusive first right to purchase water offered by Western and Richvale from 2025 to 2027. The option payment of \$250,000 to each agency (\$500,000 total) is sized to help defray costs already incurred by Western and Richvale to prepare the Environmental Impact Report and Addendum, which enable them to transfer water.
- *Available Supply*
 - Western may make up to 33,600 acre-feet of water available for transfer via crop idling up to 11,200 acres.
 - Richvale may make up to 19,200 acre-feet of water available for transfer via crop idling up to 6,400 acres.
- *Notification Dates*
 - By February 28 of each year, Metropolitan will notify Western and Richvale of its interest in acquiring transfer supplies for that year, and upon notification, Western and Richvale will solicit landowner interest in participating in a transfer on the terms set forth in the agreement.
 - By March 31 of each year, Western and Richvale will notify Metropolitan of the amount of water, if any, offered during the year.
 - By April 15 of each year, Metropolitan will notify Western and Richvale of the amount of water, if any, it will purchase during the year.

- *Water Purchase Price*
 - Metropolitan will pay Western and Richvale \$965 for each acre-foot Western and Richvale deliver to point of delivery (Thermalito Afterbay) when the SWP allocation as of June 30 is less than or equal to 20 percent.
 - Metropolitan will pay Western and Richvale \$600 for each acre-foot Western and Richvale deliver to point of delivery (Thermalito Afterbay) when the SWP allocation as of June 30 is greater than 20 percent.
- *Conveyance Risk*
 - Metropolitan will bear the conveyance risk for water purchased by the April 15 call date that the sellers have provided at Thermalito Afterbay. This risk includes the inability of DWR to export transfer supply from the Delta during the “transfer window” or the potential spilling of any backed-up transfer supply temporarily stored in Lake Oroville. Staff will monitor DWR’s monthly studies as the SWP supply develops during the water year.
 - Metropolitan will be responsible for any carriage losses that DWR assesses to convey transfer supply from the point of delivery at Thermalito Afterbay through the Delta. This loss is a share of the transfer supply that contributes to Delta water quality and flow objectives and has historically ranged from 20 to 35 percent.
- *Reductions in Available Supply*
 - Western and Richvale will not make water available during a year in which their surface water allocations are reduced, including if reduced pursuant to the shortage provisions in their diversion agreement with the State of California.
 - Western and Richvale are potential participants in the Agreements to Support Healthy Rivers and Landscapes (Voluntary Agreements) under consideration as part of the State Water Resources Control Board’s planned update to the Bay-Delta Water Quality Control Plan; if Voluntary Agreements are adopted and implemented during the term of the proposed agreements, Western and Richvale’s available transfer supplies will be reduced in Above Normal, Below Normal, and Dry water year types.
- *Minimum Performance/Refund of Option Payment*
 - Western and Richvale anticipate being able to offer water for sale at the negotiated prices. If Metropolitan notifies Western and Richvale of its interest in purchasing water in a given year, and is offered less than 1,000 acre-feet for sale, the district offering less than 1,000 acre-feet for sale will refund to Metropolitan a pro-rata share of the upfront option payment (\$83,333.33).

If Metropolitan were to call on available supplies in future years, in addition to the proposed agreements with Western and Richvale, Metropolitan would need to enter into annual storage and conveyance agreements with the sellers and DWR.

Metropolitan’s decision to purchase transfer supplies under the proposed agreements will be consistent with and informed by Metropolitan’s Water Surplus and Drought Management plan. As with any decision to purchase annual water transfers via the SWP, Metropolitan will consider the developing hydrologic conditions, the need for and capacity to store the supplemental water supply, and the DWR’s ability to convey the transfer supplies through the Delta. Staff will continue to seek annual board authorization for purchasing additional water transfers beyond the scope of the proposed agreements.

Funding of Proposed Agreements

If the transfers are placed into effect, the funding for the water transfer purchases contemplated in the proposed agreements would come from Water Supply Program and SWP funds in the upcoming biennium. Staff anticipates calling on the water under the proposed agreements in dry years, such as when the SWP allocation is 0 to 20 percent. Staff anticipates unspent budget funds will be available to fund the transfers in these types of years. Low SWP allocations correspond with lower than budgeted costs for SWP supplies since the budgets for these two programs assumes funding for a 50 percent SWP allocation.

Benefits to Metropolitan

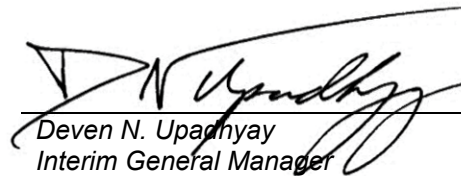
The proposed agreements benefit Metropolitan by enhancing dry-year reliability with water delivered through the State Water Project, which can reach the entire service area, including the SWP-dependent area. The agreements offer exclusive first-right access to purchase water from two major sellers in the Feather River service area ensuring a dependable source when water is typically scarce, at a fixed price. Additionally, these agreements increase Metropolitan's flexibility in managing water resources, allowing for better planning and response to fluctuating hydrologic conditions. By securing available water supply from trusted sources, Metropolitan can reduce the risk of shortages and maintain consistent and reliable water service to its member agencies.



Brandon J. Goshi
Interim Manager,
Water Resource Management

9/26/2024

Date



Deven N. Upadhyay
Interim General Manager

10/1/2024

Date

Ref# wrm12702386



One Water & Stewardship Committee

Authorize agreements with Western Canal Water District and Richvale Irrigation District for water transfer options and first rights of refusal during 2025 through 2027

Item 7-7

October 7, 2024

Item 7-7 Water Transfer Agreements

Subject

Authorize the General Manager to enter into agreements with Western Canal Water District and Richvale Irrigation District for water transfer options and first rights of refusal during 2025 through 2027.

Purpose

These agreements would improve access to limited north-of-Delta water transfer supplies and increase drought reliability for the SWP dependent area.

Recommendation and Fiscal Impact

Authorize the General Manager to enter into agreements with Western Canal Water District and Richvale Irrigation District for water transfer options and first rights of refusal during 2025 through 2027. The agreements provide for a one-time upfront option payment of \$500,000 total and annual water purchase payments of up to \$51 million if called.

Recommendation and Fiscal Impact

Not budgeted. Costs would be sourced from budgeted funds from the Water Supply Program and State Water Project budget

Background

Water transfers help meet demands

Approach for dry and critical years

Board authorized the General Manager to secure up to \$50M of water transfers in 2024

Funded by unused Water Supply Program and SWP Budget

Past participation in the dry-year transfer program with State Water Contractors

Limited availability and access



Slide 6 Item 6B OW&S Committee August 19, 2024

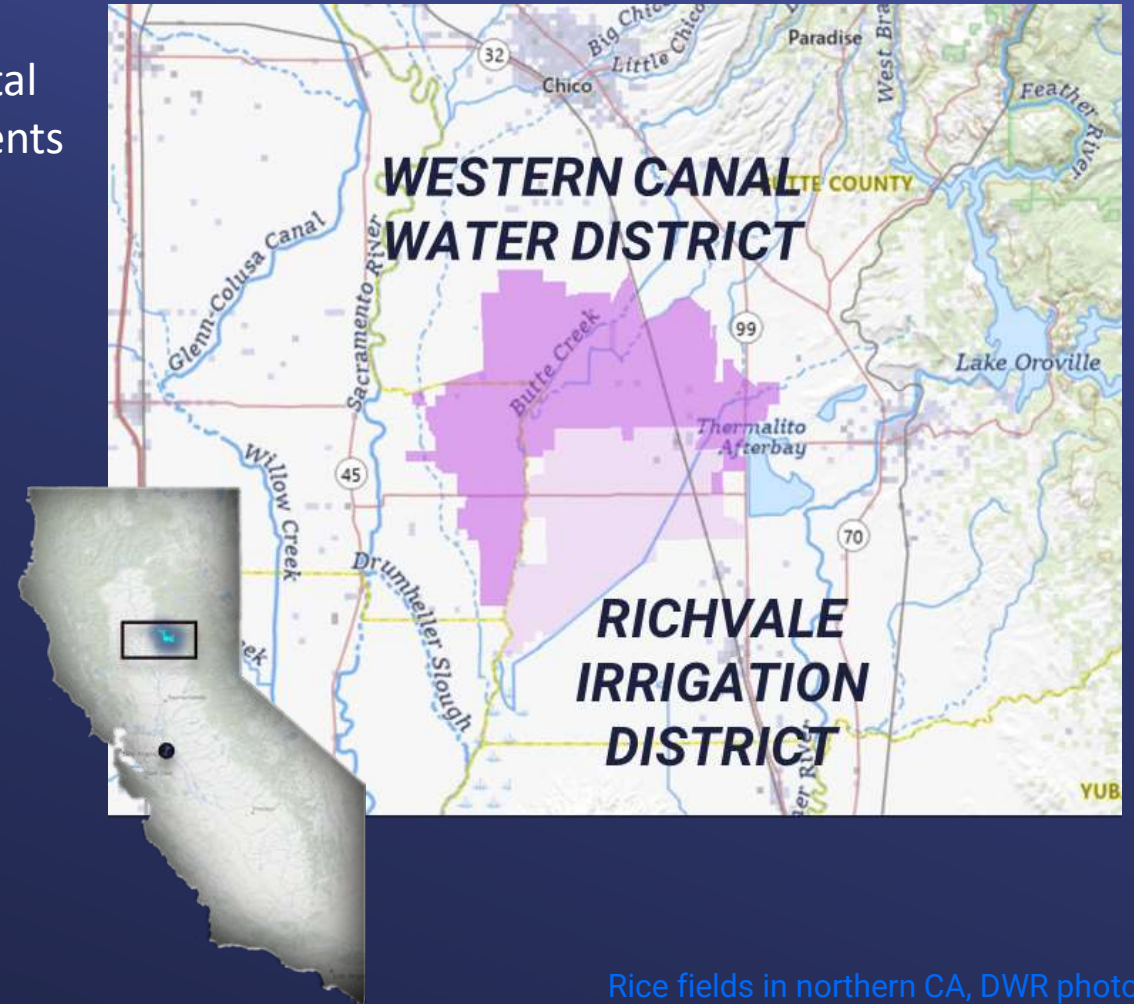
Exploring new partnerships and approaches to water transfer arrangements

- Improve access to limited supplies
- Increase drought reliability for the SWP-dependent area

Multi-Year Option – Proposed Agreements

- One agreement for each seller
 - Western Canal Water District
 - Richvale Irrigation District

} two total agreements
- Term: 2025-2027
- One-time option payment to each seller for first right of refusal on crop idling water transfers
- Water purchase price based on final SWP allocation



Rice fields in northern CA, DWR photo

Fiscal Impact

- February 2024: Board authorized the General Manager to secure up to \$50 million of water transfers if needed
 - Funding from unused Water Supply Program and SWP Budget

	FY 24/25	FY 25/26	FY 26/27
Option Payment	\$500,000	\$0	\$0
Water Purchase Payments	Up to \$51M	Up to \$51M	Up to \$51M
Total	Up to \$51.5M	Up to \$51M	Up to \$51M
Source of Funds	Unused Water Supply Program and State Water Project Budget		Budget request for Water Supply Programs

September Committee Input

The agreement term is too short

- Sellers have environmental coverage through 2027
- Term covers a period of time under which Metropolitan is developing drought actions to address SWP-dependent area

What if we don't get any water?

- No remedy for wet conditions or curtailment of seller supply
- Agreement provides for the pro-rated return of option payment if Metropolitan calls on water and the seller does not offer a minimum amount
- Option payment is an insurance policy for the SWP-dependent area

Budget concerns

- Staff anticipates unspent funds in call years

Benefits



Increase
Metropolitan's
flexibility in managing
water resources

Better planning and response to
fluctuating hydrologic conditions

Securing available
water supplies from
trusted sources reduces
the risk of shortages



Maintain consistent service to customers

Exclusive first-right access
to limited north-of-Delta
transfer supplies



Stability in
purchase
price



Building partnerships
with north of Delta
agricultural districts



Board Options

Option 1

- Authorize the General Manager to enter into agreements with Western Canal Water District and Richvale Irrigation District for water transfer options and first rights of refusal during 2025 through 2027

Option 2

- Do not authorize the General Manager to enter into agreements with Western Canal Water District and Richvale Irrigation District for water transfer options and first rights of refusal during 2025 through 2027

Item 7-7 Water Transfer Agreements

Item 7-7 Water Transfer Agreements

Staff Recommendation

- Option 1





- **Board of Directors**
Finance and Asset Management Committee

10/8/2024 Board Meeting

7-9

Subject

Adopt resolution authorizing the reimbursement of capital expenditures from bond proceeds for fiscal years 2024/25 and 2025/26; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

The Resolution of Reimbursement of capital expenditures from bond proceeds in **Attachment 1** (Resolution of Reimbursement) evidences the intention to use tax-exempt bond proceeds or other forms of indebtedness to finance capital expenditures for projects and to use some or all available bond proceeds to reimburse Metropolitan for costs paid for such projects. The Resolution of Reimbursement would satisfy the Internal Revenue Service (IRS) regulatory requirement to declare an “official intent” to reimburse a capital expenditure. If adopted, Metropolitan would be authorized to use tax-exempt bond proceeds to reimburse capital expenditures initially paid or to be paid by operating revenues or other available resources. Adoption of the Resolution of Reimbursement provides Metropolitan with financial flexibility during the current and next fiscal year, if needed, to issue tax-exempt bonds when deemed most appropriate. The Resolution of Reimbursement does not change the amount or method of funding capital expenditures approved by Metropolitan’s Board in the Adopted Biennial Budget for fiscal year (FYs) 2024/25 and 2025/26. The Resolution of Reimbursement will give Metropolitan the option and flexibility of reimbursing itself for capital project expenditures made prior to the issuance of tax-exempt bonds.

Proposed Action(s)/Recommendation(s) and Options

Staff Recommendation: Option #1

Option #1

Adopt the resolution authorizing the reimbursement of capital expenditures from bond proceeds for FY 2024/25 and FY 2025/26 as contained in **Attachment 1**.

Fiscal Impact: The Resolution of Reimbursement would allow Metropolitan to continue to fund approved capital projects and use tax-exempt bond proceeds to reimburse Capital Investment Plan (CIP) and other capital expenditures in FY 2024/25 and FY 2025/26 initially funded with operating revenues or reserves.

Business Analysis: Option #1 would provide Metropolitan the ability to reimburse operating revenue or reserve-funded capital expenditures with tax-exempt debt proceeds. Such reimbursed funds would replenish funds that then may be used for any lawful purpose.

Option #2

Do not adopt the Resolution of Reimbursement as contained in **Attachment 1**.

Fiscal Impact: Approval of Option #2 would result in a reduction in Metropolitan’s financial flexibility during FY 2042/25 and FY 2025/26. Without this reimbursement resolution, Metropolitan may be required to

pay certain capital expenditures out of operating revenues instead of bond proceeds as intended under the Adopted Biennial Budget. Further, by not adopting this Resolution of Reimbursement, Metropolitan will not be able to reimburse itself from tax-exempt bond proceeds for capital expenditures funded from operating revenues, which would lower reserves and potentially have negative implications for certain financial metrics, such as debt service coverage and fixed charge coverage, impacted by costs related to the supply and demand management programs intended to be bond financed.

Business Analysis: Option #2 would limit Metropolitan’s financial flexibility in FY 2024/25 and FY 2025/26, as Metropolitan could not reimburse operating revenue or reserve-funded capital expenditures with tax-exempt bond proceeds. Therefore, Metropolitan’s operating revenues may not be sufficient to pay for approved capital expenditures in accordance with the Board’s Adopted Biennial Budget for FYs 2024/25 and 2025/26.

Alternatives Considered

Not applicable

Applicable Policy

Metropolitan Water District Act Section 61: Ordinances, Resolutions and Orders

Metropolitan Water District Administrative Code Section 5108(d): Appropriations

Metropolitan Water District Administrative Code Section 5109: Capital Financing

Metropolitan Water District Administrative Code Section 5200(a) and (b): Funds Established

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Related Board Action(s)/Future Action(s)

Not applicable

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. (State CEQA Guidelines Section 15378(b)(4)).

CEQA determination for Option #2:

None required

Details and Background

Background

The Biennial Budget for FYs 2024/25 and 2025/26, adopted by Metropolitan’s Board on April 9, 2024 (“Biennial Budget”), included funding capital expenditures from a combination of bonds and operating revenues. A total of \$630 million of planned CIP spending is presented in the CIP section of the Biennial Budget. The estimated CIP expenditures are planned to be funded with \$280 million of bond proceeds and \$350 million of operating revenues for the term of the Biennial Budget. In addition, the Board approved as part of the Biennial Budget bond financing for additional capital expenditures not in the CIP—the Antelope Valley East Kern High Desert Groundwater Storage Program (“AVEK”) in the amount of \$177.9 million and the conservation program in the amount of \$48.2 million.

The portion of CIP and conservation program expenditures anticipated to be bond financed during the current biennium will be paid from: (a) note proceeds of short-term notes issued as interim financing under a Revolving Credit Agreement with Bank of America, N.A, and (b) bond proceeds from the recently completed Water

Revenue and Refunding Bonds, 2024 Series C and Variable Rate Subordinate Water Revenue Refunding Bonds, 2024 Series D transactions. Long-term bond financing for AVEK, however, has not yet occurred.

Adoption of the attached Resolution of Reimbursement will allow Metropolitan to fund AVEK capital expenditures and additional CIP expenditures, if necessary, out of available resources, including financial reserves, until tax-exempt new money bonds are issued when market conditions are favorable. This approach is a conventional procedure used by many public issuers as part of their strategy to access the capital markets. The ability to use tax-exempt bond proceeds to reimburse Metropolitan for capital expenditures paid or to be paid by operating revenues or reserves will provide the Board with financial flexibility to meet its approved budget priorities and expenditure plan. The not-to-exceed bond par amount of \$225 million in the Resolution of Reimbursement is conservatively estimated by staff to generate the required bond proceeds, taking into consideration potential premiums and/or discounts under varying market conditions at the time of sale.

By adopting the Resolution of Reimbursement, Metropolitan indicates its expectation to issue tax-exempt debt and use the proceeds to reimburse certain capital expenditures, initially funded with operating revenues, with such tax-exempt bond proceeds. In accordance with IRS regulations, Metropolitan is required to declare its “official intent” to reimburse a capital expenditure no later than 60 days after the payment of the original expenditure to be reimbursed. This Resolution of Reimbursement will meet the “official intent” requirement under IRS regulations. The Resolution of Reimbursement does not change the amount or method of funding capital expenditures approved by Metropolitan’s Board in the Biennial Budget for FYs 2024/25 and 2025/26.

The Board previously adopted resolutions of reimbursement in 2015, 2016, 2019, 2020, and 2022.


 Katano Kasaine 10/3/2024
 Assistant General Manager/Chief Financial Officer Date


 Deven Upadhyay 10/3/2024
 Interim General Manager Date

Attachment 1 – Resolution of The Board Of Directors of The Metropolitan Water District of Southern California Pertaining to the Reimbursement of Capital Expenditures From Bond Proceeds

Ref# cfo12697878

THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA

RESOLUTION ____

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
PERTAINING TO THE REIMBURSEMENT OF CAPITAL EXPENDITURES FROM BOND
PROCEEDS

The Board of Directors of The Metropolitan Water District of Southern California (the “Board”) hereby finds that:

1. The Metropolitan Water District of Southern California (“Metropolitan”) desires and expects to debt finance certain construction costs relating to its Capital Investment Plan as approved in its Biennial Budget for Fiscal Years 2024/25 and 2025/26, and other capital expenditures relating to Metropolitan’s water delivery system (“Projects”);

2. Metropolitan expects to issue up to \$225 million in additional debt during fiscal years 2024/25 and 2025/26 to finance the Projects, or portions of the Projects, with obligations, the interest upon which is excluded from gross income for federal income tax purposes (the “Debt”);

3. Metropolitan expects to expend (or to have expended) moneys (other than moneys derived from the issuance of bonds) on expenditures relating to the costs of the Projects prior to the issuance of the Debt, which expenditures will be properly chargeable to a capital account under general federal income tax principles;

4. Metropolitan reasonably expects to reimburse certain of such capital expenditures with the proceeds of the Debt;

5. Metropolitan expects that the maximum principal amount of Debt that will be issued to pay for the costs of the Projects (and related issuance costs) will not exceed \$225 million;

6. At the time of the reimbursement for the Projects, Metropolitan will evidence such reimbursement in writing which identifies the allocation of the proceeds of the Debt to Metropolitan for the purpose of reimbursing Metropolitan for the capital expenditures prior to the issuance of the Debt;

7. Metropolitan expects to make each of the reimbursement allocations no later than eighteen (18) months after the latter of (i) the date on which the earliest original expenditure for the relevant Project is paid or (ii) the date on which such Projects are placed in service (or abandoned), but in no event later than three (3) years after the date on which the earliest original expenditure for the relevant Project or other capital expenditure is paid;

8. Metropolitan will not, within one (1) year of any reimbursement allocation, use the proceeds of the Debt received in the reimbursement allocation in a manner that will result in the creation of replacement proceeds of the Debt or another issue (e.g., Metropolitan will not pledge or

use the proceeds received for the payment of debt service on the Debt or another issue, except that the proceeds of the Debt can be deposited in a bona fide debt service fund); and

9. This Resolution is intended to be a “declaration of official intent” in accordance with Section 1.150-2 of the U.S. Treasury Regulations.

NOW, THEREFORE, the Board hereby finds, resolves, determines and orders as follows:

Section 1. That in accordance with Section 1.150-2 of the U.S. Treasury Regulations, Metropolitan hereby declares its intention to issue Debt in a principal amount not to exceed \$225 million in fiscal years 2024/25 and 2025/26, the proceeds of which will be used to pay for the costs of the Projects and other capital expenditures (and related issuance costs), including the reimbursement to Metropolitan for certain capital expenditures relating to the Projects made prior to the issuance of the Debt.

Section 2. This declaration of intent does not bind Metropolitan to make any expenditure, nor incur any indebtedness, or proceed with the issuance of any Debt, or proceed with the Projects.

I HEREBY CERTIFY, that the foregoing is a full, true and correct copy of a Resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California, at its meeting held on October 8, 2024.

Secretary of the Board of Directors
of The Metropolitan Water District
of Southern California



Finance and Asset Management Committee

Resolution Authorizing the Reimbursement of Capital Expenditures from Bond Proceeds for FY 2024/25 and 2025/26

Item 7-9

October 8, 2024

Reimbursement Resolution

Item 7-9

Subject

Adopt a Resolution Authorizing the Reimbursement of Capital Expenditures from Bond Proceeds for FY2024/25 and 2025/26

Purpose

To inform the Board of the background for the Reimbursement Resolution and its application to the current biennium budget period

Next Steps

Implement the relevant bond financing(s) and report results back to the Board

What is the purpose of a Reimbursement Resolution?

- Comply with IRS Regulations if tax-exempt bond proceeds are intended to pay for prior expenditures
- A Reimbursement Resolution evidences the intent to use tax-exempt bond proceeds or other forms of indebtedness to finance capital expenditures
- Some capital expenditures may be paid from available resources prior to the sale of tax-exempt bonds
- The Reimbursement Resolution gives Metropolitan the flexibility to reimburse itself from tax-exempt bond proceeds for prior capital expenditures

Internal Revenue Service (IRS) Regulations Regarding Reimbursement

- By adopting the Reimbursement Resolution, Metropolitan indicates its expectation to issue tax-exempt debt and use the proceeds to reimburse capital expenditures originally funded from operating revenues or reserves
- In accordance with IRS regulations, Metropolitan is required to declare its “official intent” to reimburse a capital expenditure
- Adoption of the proposed Reimbursement Resolution will meet the IRS “official intent” requirement

Why does Metropolitan Need a Resolution of Reimbursement?

The not-to-exceed bond par amount of \$225 million in the Reimbursement Resolution is conservatively estimated to provide the required bond proceeds for capital expenditures over the biennium.

- Flexibility: Adoption of the Reimbursement Resolution allows Metropolitan to fund approved capital expenditures out of operating revenues or reserves until new money bonds may be issued when market conditions are favorable
- Budget Consistency: The Reimbursement Resolution does not change the amount or method of funding capital expenditures approved by the Board in the Biennial Budget for FYs 2024/25 and 2025/26

Planned Capital Expenditures for FY 2024/25 and 2025/26

- In the FY 2024/25 and 2025/26 Biennial Budget, the Board approved \$630 million of CIP expenditures of which \$280 million is allocated to be bond funded
- In addition, the Board approved bond funding of \$177.9 million for the AVEK High Desert Water Program and \$48.2 million for the Conservation Program

Board Options

- Option #1
Adopt a resolution authorizing the reimbursement of capital expenditures from bond proceeds for FYs 2024/25 and 2025/26.
- Option #2
Do not adopt a Reimbursement Resolution.

Staff Recommendation

- Option #1





- **Board of Directors**
Engineering, Operations, and Technology Committee

10/8/2024 Board Meeting

8-2

Subject

Authorize on-call agreements with Black & Veatch Corporation, Burns & McDonnell Western Enterprises Inc., HDR Inc., and Stantec Consulting Services Inc., in amounts not to exceed \$3 million each, for a maximum of three years, for engineering services to support zero-emission vehicle infrastructure upgrades at Metropolitan facilities; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

In May 2022, Metropolitan adopted a Climate Action Plan (CAP) to reduce Metropolitan's carbon footprint in the face of climate change and to offset greenhouse gas (GHG) emissions from future Metropolitan projects. Consistent with the CAP, Metropolitan has begun transitioning its vehicle fleet to a zero-emissions vehicle (ZEV) fleet to reduce carbon emissions. Recent regulations adopted by the California Air Resource Board's (CARB) Advanced Clean Fleets (ACF) requires that 50 percent of Metropolitan's new medium and heavy-duty vehicle purchases be ZEV after January 1, 2024, accelerating the need to procure and install infrastructure that supports the deployment of the ZEV fleet.

This action authorizes three-year on-call professional services agreements with Black & Veatch Corporation, Burns & McDonnell Western Enterprises Inc., HDR Inc., and Stantec Consulting Services Inc., in an amount not to exceed \$3 million each for the design and support services for ZEV-related infrastructure upgrades at various Metropolitan field sites. See **Attachment 1** for the List of Subconsultants.

Proposed Action(s)/Recommendation(s) and Options

Staff Recommendation: Option #1

Option #1

Authorize on-call agreements with Black & Veatch Corporation, Burns & McDonnell Western Enterprises Inc., HDR Inc., and Stantec Consulting Services Inc., in an amount not to exceed \$3 million each, for a maximum period of three years, to provide design and support services related to the ZEV infrastructure upgrades at Metropolitan facilities.

Fiscal Impact: Expenditure of \$12 million in capital funds. Approximately \$6 million will be incurred in the current biennium and has been previously authorized. The remaining funds from this action will be accounted for and appropriated under the next biennial budget.

Business Analysis: Contracting with multiple firms provides flexibility and efficient means to complete design of the required infrastructure upgrades for ZEV in a timely manner, meet Metropolitan's CAP goals, and comply with all local, state, and federal regulations.

Option #2

Do not authorize the consulting agreements at this time.

Fiscal Impact: None

Business Analysis: Under this option, staff will continue design efforts for the infrastructure upgrades required for ZEV without support of specialized consultants, which will substantially delay the implementation of the upgrades, fleet transition, and compliance with state mandates.

Alternatives Considered

Metropolitan's staffing strategy for utilizing consultants and in-house Metropolitan staff has been: (1) to assess current work assignments for in-house staff to determine the potential availability of staff to conduct this work; and (2) utilize consultants for long-term rehabilitation projects when resource needs exceed available in-house staffing or require specialized technical expertise.

After assessing the current workload for in-house staff, required expertise, and the relative priority of this project, staff has determined that insufficient electrical engineering staff is available to ensure completion of the work by state-mandated timelines. Staff recommends utilizing a hybrid effort of consultants and Metropolitan staff for performance of this work. The consultants will perform the majority of the design work while Metropolitan staff will provide needed site support and perform control system design, project reviews, and oversight. This approach will allow for the completion of not only the ZEV infrastructure upgrades at various field sites simultaneously, but also other budgeted capital projects within their current schedules and ensure the work is conducted efficiently. Under these agreements, work assignments will be issued to consultants through task orders on a facility-by-facility basis.

Applicable Policy

Metropolitan Water District Administrative Code Section 8121: General Authority of the General Manager to Enter Contracts

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Related Board Action(s)/Future Action(s)

By Minute Item 52823, dated May 10, 2022, the Board adopted the CAP.

By Minute Item 53598, dated April 9, 2024, the Board appropriated a total of \$636.5 million for projects identified in the Capital Investment Plan for Fiscal Years 2024/25 and 2025/26.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it will not result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. (State CEQA Guidelines Section 15378(a)).

CEQA determination for Option #2:

Not applicable

Details and Background

Background

Metropolitan owns and operates pump stations along the Colorado River Aqueduct, five regional water treatment plants, and a conveyance and distribution system that delivers water throughout Southern California. To operate these facilities and continue providing water to its customers, Metropolitan currently operates a fossil-fuel-based fleet of vehicles utilized by operators, technicians, and other Metropolitan staff for operations and maintenance activities. The fleet includes passenger; light-, medium- and heavy-duty on-road vehicles; off-road construction vehicles/equipment; forklifts; and rideshare vehicles.

In May 2022, Metropolitan adopted a CAP, which identifies ZEV fleet transition as a key measure to reduce GHG emissions. The ACF regulation adopted by the CARB, which became effective on January 1, 2024, has accelerated Metropolitan's ZEV transition. The ACF regulation mandates that 50 percent of all new fleet purchases of medium and heavy-duty vehicles, defined as vehicles weighing more than 8,500 pounds, occurring after January 1, 2024, be ZEVs. However, after January 1, 2027, the regulations require 100 percent of new on-road medium- and heavy-duty fleet vehicle purchases to be ZEVs.

Installing charging infrastructure is a key component of Metropolitan's ZEV transition and is required to support the ZEV fleet. Over 18 transportation hubs within the Metropolitan's facilities have been identified as potential charging locations, including water treatment plants and other field sites within Metropolitan's conveyance and distribution system. The fleet assets at these locations include approximately 380 light-duty vehicles, 350 medium-duty vehicles, 180 heavy-duty vehicles, and 70 construction vehicles. The provision of ZEV infrastructure upgrades at Metropolitan facilities will require engineering services beyond what can be supported by in-house staff or current engineering services on-call agreements over the next several fiscal years to meet the regulation timeline.

Four specialized on-call engineering service agreements are recommended for authorization to support the design of the ZEV infrastructure upgrades. On-call agreements are multi-year with not-to-exceed amounts and provide a high degree of flexibility to respond to schedule or scope adjustments, allow quicker delivery times, and lower administrative costs for both Metropolitan and the consultants. For these types of agreements, consultants are assigned work only after specific tasks are identified by staff, up to the not-to-exceed amounts of the contracts.

Zero Emission Vehicle Infrastructure Upgrades – Design

Planned upgrades include the procurement and installation of multiple new substations, addition of underground infrastructure to distribute power to the charging stations, and implementation of backup generation systems and utility service improvements to support zero-emission fleet vehicles.

Planned activities for the design of the ZEV infrastructure upgrades include: (1) detailed field inspections; (2) evaluation of industry standards and characteristics of recommended assemblies and equipment; (3) development of design criteria; (4) conceptual, preliminary, and final design activities and (5) development of construction cost estimates and schedules for the upgraded infrastructure at each site. These activities will be performed by four specialized on-call engineering service agreements, as discussed below. Metropolitan staff will perform overall project management, conduct surveys, compile record drawings, provide technical oversight, and review the consultant's work.

The total cost of districtwide ZEV infrastructure upgrades at Metropolitan facilities will be evaluated during the performance of the activities described above.

Engineering Support for ZEV Infrastructure Upgrades (Black & Veatch Corporation, Burns & McDonnell Western Enterprises Inc., HDR Inc., and Stantec Consulting Services Inc.) – New Agreements

Request for Qualifications (RFQ) 1368 was issued in March 2024 to establish a pool of qualified firms to provide engineering services related to the zero-emission vehicle infrastructure upgrades at Metropolitan's facilities. The RFQ covered services in three categories: ZEV infrastructure assessment and improvements, hydrogen fueling systems, and enterprise visualization analytics. The consultants submitted Statements of Qualifications (SOQs) for one or more of these three categories. Five firms submitted SOQs, which were then evaluated based on the expertise of the firm's staff, technical approach, proposed methodology, and capability for the planned work. Due to the large number of Metropolitan facilities and systems that would require ZEV infrastructure upgrades and to ensure that the work is completed in a timely manner, four firms are recommended to perform the work.

Black & Veatch Corporation, Burns & McDonnell Western Enterprises Inc., HDR Inc., and Stantec Consulting Services, Inc. are recommended for the engineering services detailed below based on their extensive expertise in ZEV infrastructure upgrades. In addition, their all-around experience will facilitate the assessment and analysis of Metropolitan's complex electrical systems, coordination with the utilities, and permitting with the cities.

Planned engineering services to be provided under the resulting agreements were identified in the RFQ and include conceptual, preliminary, and final design support for new facilities and rehabilitation of existing facilities; field investigations; utility and hazardous materials survey; planning studies; specialized technical analyses and reviews; cost estimating; engineering support during bidding; and other project support tasks such as permitting and providing relevant content to support grant/incentive applications and subsequent compliance reporting.

This action authorizes four specialized on-call agreements, each for a not-to-exceed total of \$3 million, for ZEV infrastructure upgrades at various Metropolitan field sites. For these agreements, Metropolitan has established a Small Business Enterprise participation level of 25 percent.

Project Milestone

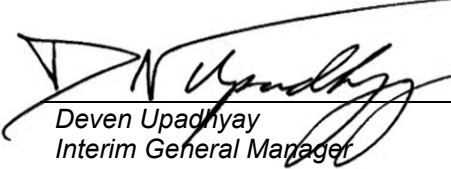
November 2027 – Completion of design activities for ZEV infrastructure upgrades



Mai M. Hattar
Interim Chief Engineer
Engineering Services

9/23/2024

Date



Deven Upadhyay
Interim General Manager

9/25/2024

Date

Attachment 1 – List of Subconsultants

Ref# es12697330

The Metropolitan Water District of Southern California
Subconsultants for Agreement with Black & Veatch Corporation

Subconsultant and Location	Service Category; Specialty
Ninyo & Moore Geotechnical & Environmental Sciences Consultants Los Angeles, CA	Geotechnical & Environmental Services
Converse Consultants Monrovia, CA	Geotechnical Services
Helix Environmental Planning Irvine, CA	Environmental Services
Aurora Industrial Hygiene South Pasadena, CA	Certified Asbestos Consultant Services
DRP Engineering Inc. Monterey Park, CA	Drafting/General Civil
MWA Architects Los Angeles, CA	Architectural

The Metropolitan Water District of Southern California**Subconsultants for Agreement with Burns & McDonnell Western Enterprises Inc.**

Subconsultant and Location	Service Category; Specialty
Aurora Industrial Hygiene South Pasadena, CA	Certified Asbestos Consultant Services

The Metropolitan Water District of Southern California**Subconsultants for Agreement with HDR Inc.**

Subconsultant and Location	Service Category; Specialty
Budlong & Associates Glendale, CA	Electrical / I&C
TJC & Associates (TJCAA) Oakland, CA	Electrical / I&C
DRP Engineering (DRP) Monterey Park, CA	Drafting
Guida, Inc. Irvine, CA	Subsurface Utility Locating
Diaz Yourman & Associates Santa Ana, CA	Geotechnical
Gregg Drilling LLC Signal Hill, CA	Geotechnical
Jacobus & Yuang Inc. Los Angeles, CA	Cost Estimating
J. Stanley Consulting Inc. Oakland, CA	Certified Asbestos Inspection

The Metropolitan Water District of Southern California
Subconsultants for Agreement with Stantec Consulting Services Inc.

Subconsultant and Location	Service Category; Specialty
Power Systems Testing Co. Santa Ana, CA	Electrical
MWA Architects Los Angeles, CA	Architectural
Converse Consultants Monrovia, CA	Geotechnical
DRP Engineering Inc. Monterey Park, CA	Engineering Design & Drafting
Project Line Technical Services Inc. Rancho Palos Verdes, CA	Engineering Design & Drafting
T2 Utility Engineering Huntington Beach, CA	Utility Locating
Towill Inc. Orange, CA	Surveying



Engineering, Operations, & Technology Committee

Professional Services Agreements for Zero-Emission Vehicles Infrastructure Upgrades

Item 8-2

October 7, 2024

Item 8-2

Professional Services Agreements for ZEV Infrastructure Upgrades

Subject

Authorize on-call agreements in amounts not to exceed \$3 million each, for engineering services to support zero-emission vehicle (ZEV) infrastructure upgrades

- Black & Veatch Corp.
- Burns & McDonnell Western Enterprise Inc.
- HDR Inc.
- Stantec Consulting Services Inc.

Purpose

Contracting with multiple firms provides flexibility & an efficient means for Metropolitan to develop designs for ZEV infrastructure upgrades

Recommendation and Fiscal Impact

Authorize agreements

Fiscal Impact – None

Budgeted

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- 1,200+ fleet assets
- 5,200 square mile service area & desert regions
- Across five counties
- Over 5,300 structures
- Over 300 miles of patrol roads

- October 7, 2024 Engineering, Operations, & Technology Committee Item # 8-2 Slide 3 **403**

Professional
Services
Agreements

ZEV Infrastructure
Upgrades

Background

- Metropolitan's Climate Action Plan
 - Reduce carbon footprint
 - Offset greenhouse gas emissions
- Advanced Clean Fleets (ACF) regulates purchases of medium & heavy-duty, on-road fleet vehicles
 - 50% or more ZEV after Jan. 1, 2024
 - 100% or more ZEV after 2027
- Installing charging infrastructure is a key component of Metropolitan's Zero Emission Vehicle (ZEV) transition

Professional
Services
Agreements
ZEV Infrastructure
Upgrades

Zero-Emission Vehicle Infrastructure Upgrades

- Initial
 - Testing networked stations
 - Equip. ownership
- Goals
 - Learn about challenges
 - Bridge the gap until full build-out is complete



Pilot Charger

Professional Services Agreements

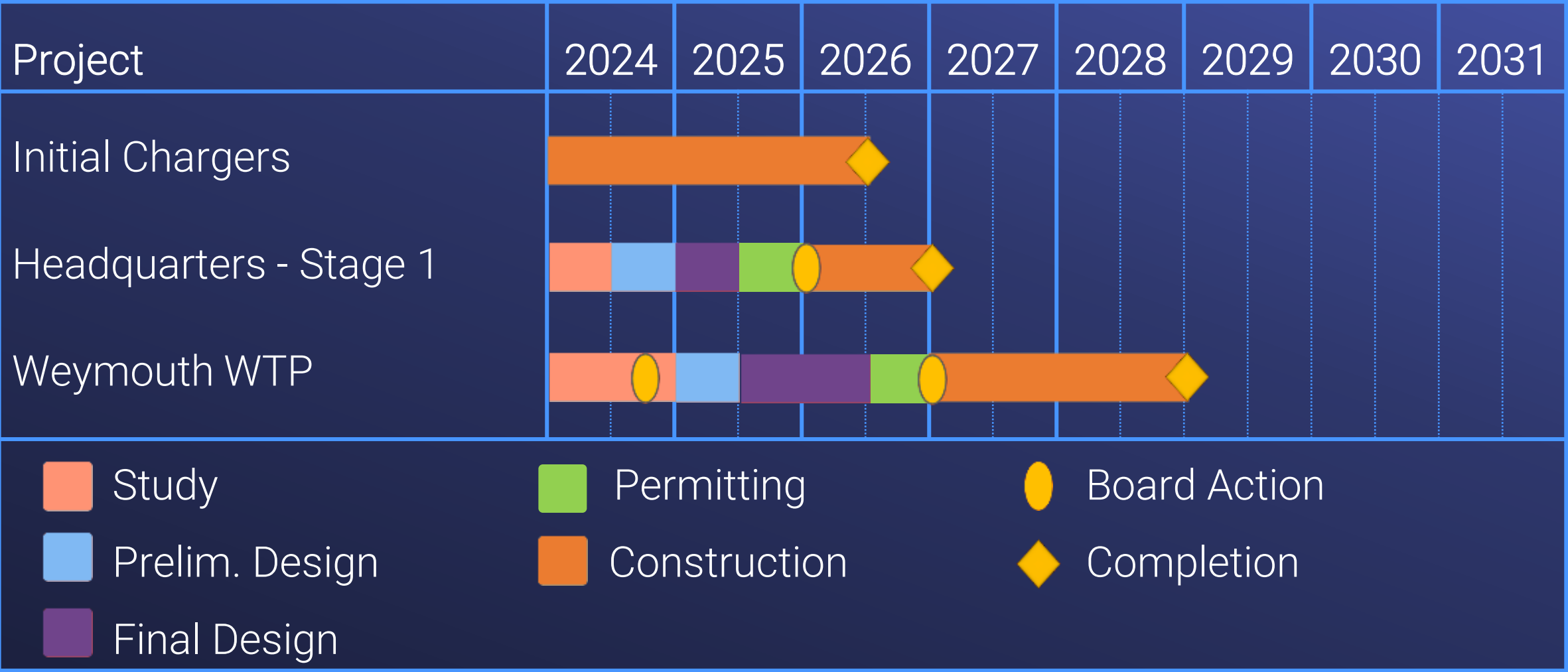
ZEV Infrastructure Upgrades

Zero-Emission Vehicle Infrastructure Upgrades

- Activities for full build-out
 - Transmission & distribution analysis
 - Planning & partnering with utilities
 - Investigation of codes & regulations
 - Development of contract documents
- Pursue incentives
- Coordinate infrastructure with vehicle procurement



Schedule - Phase 1 Typical



Professional
Services
Agreements
ZEV Infrastructure
Upgrades

Request for Qualification (RFQ) 1368

- Issued March 2024 to establish a pool of qualified firms
- Covered services in three categories:
 1. ZEV infrastructure improvements
 2. Hydrogen fueling systems
 3. Enterprise visualization analytics

Professional
Services
Agreements
ZEV Infrastructure
Upgrades

Request for Qualification (RFQ) 1368

- Services to be provided include:
 - Perform field inspection
 - Evaluate standards & recommend equip.
 - Develop design criteria & coord. w/ utilities
 - Prepare conceptual, prelim. & final design documents
 - Provide permitting, grant application & compliance reporting support
 - Develop construction cost estimates & provide bid support
- SBE participation level – 25%

Professional
Services
Agreements

ZEV Infrastructure
Upgrades

Alternatives Considered

- Utilize Metropolitan staff
 - Staff concentrating on core work
- Selected Alternative – Hybrid approach
 - Utilize several consulting firms to support design
 - Metropolitan staff provides facility information & technical oversight

Board Options

- Option #1

Authorize on-call agreements with Black & Veatch Corporation, Burns & McDonnell Western Enterprises Inc., HDR Inc., and Stantec Consulting Services Inc., in an amount not to exceed \$3 million each, for a maximum period of three years, to provide design and support services related to the ZEV infrastructure upgrades at Metropolitan facilities.

- Option #2

Do not authorize the consulting agreements at this time.

Staff Recommendation

- Option #1





Finance & Asset Management Committee

Authorization to Purchase Property Adjacent to the F. E. Weymouth Water Treatment Plant

Item 8-3

October 8, 2024

Item 8-3

Authorization to Purchase Property Adjacent to the F. E. Weymouth Water Treatment Plant

Subject

Authorize the General Manager to acquire a 0.33-acre property located in Los Angeles County in the city of La Verne from Charles J. Arballo and Margaret R. Arballo, as Trustees of The Arballo Family Trust, dated December 9, 1991, as amended, for a purchase price to be discussed confidentially with the Board of Directors

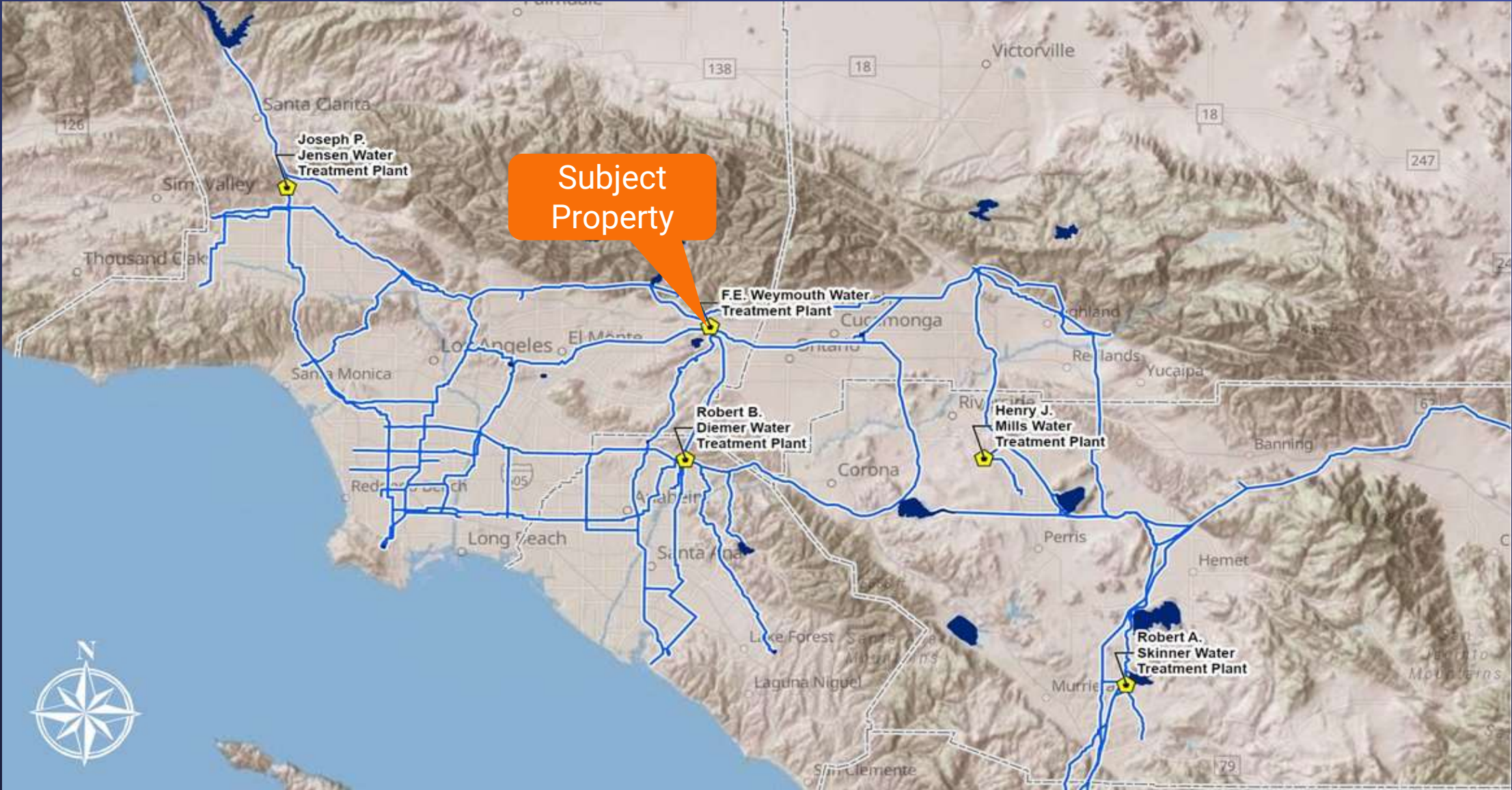
Purpose

Improved security and various potential land uses and benefits

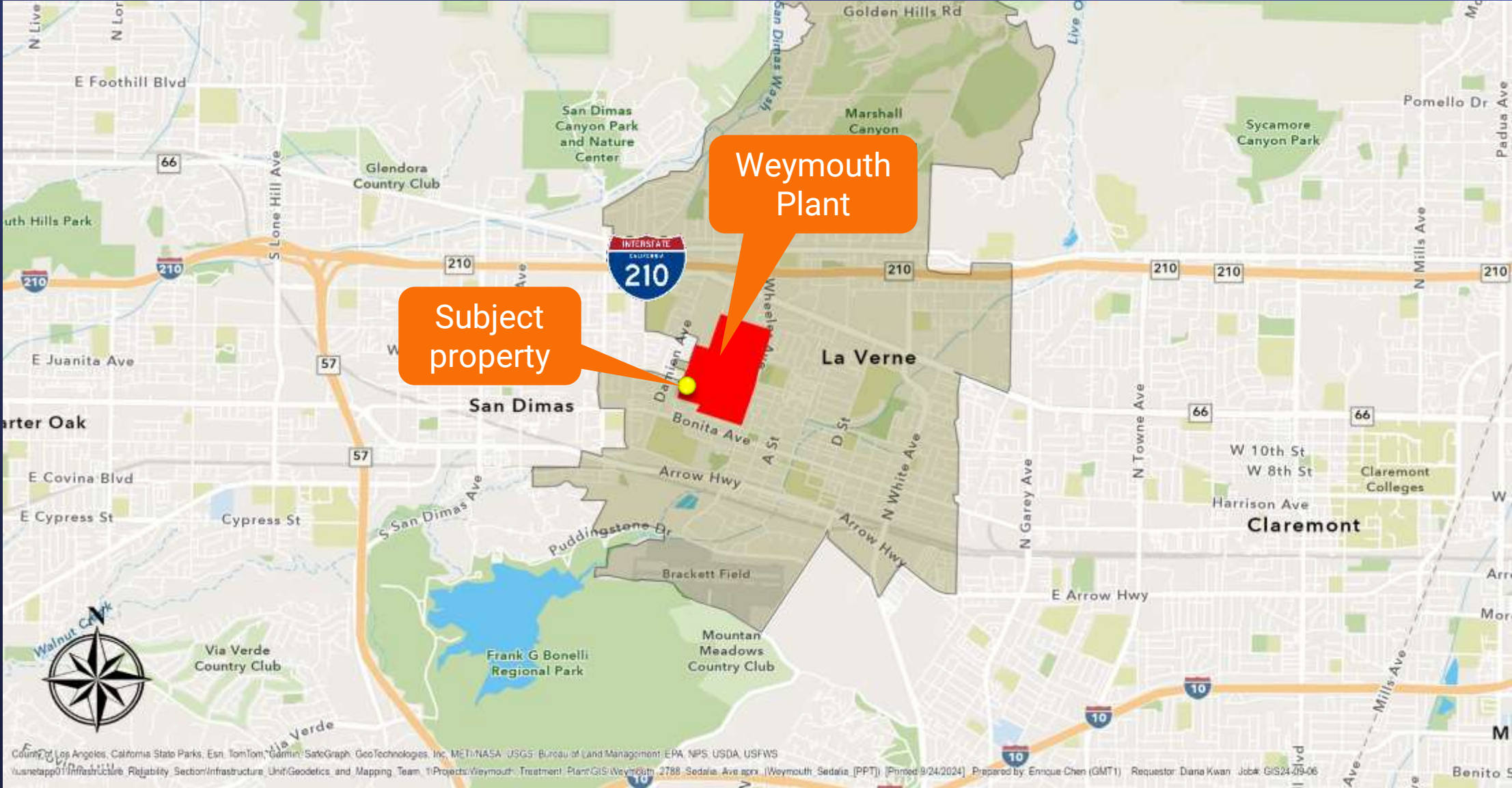
Recommendation and Fiscal Impact

Authorize the General Manager to acquire real property
Fiscal Impact – To be discussed in Closed Session

Distribution System Map



Location Map



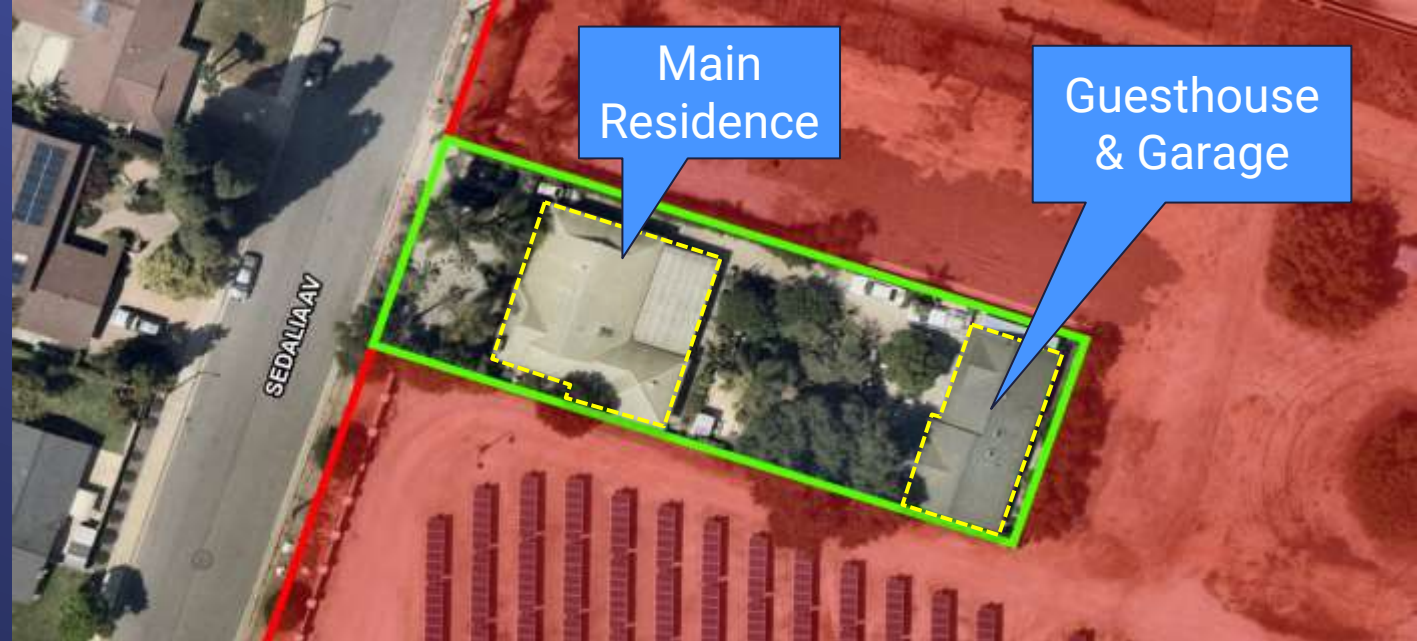
Weymouth Property

Subject Property & Background



Property Snapshot

- 2788 Sedalia Avenue
La Verne, CA 91750
- Main Residence (2,033 SF)
 - 4 Bed/2 Ba
- Guesthouse (675 SF)
 - 1 Bed/.75 Ba
- Total Size: 2,708 SF
- Lot Size: 0.33 AC/14,350 SF
- 2-car garage



Non-Contiguous Fence Line



Weymouth Property

Potential Benefits

- Improvements to exterior physical security
- Additional separation between Weymouth facilities & residential neighborhood
- Flexible planning for ongoing operations
- Expanded footprint for future projects
- Minimize potential liability & risk





- **Board of Directors**
Ad Hoc Committee on Facilities Naming

10/8/2024 Board Meeting

8-4

Subject

Approve the nomination and naming of the Joseph Jensen Water Treatment Plant Ozone Facility in honor of former Metropolitan Director Ina S. Roth; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

Metropolitan's Facilities Naming Policy Principle establishes approved standard criteria and procedures to submit a naming request for consideration by Metropolitan's Board. The Board has received nominations from former Metropolitan staff members, Dr. Mic Stewart, Dr. Roy Wolfe and Mr. Marshall Davis, to recommend naming the Joseph Jensen Water Treatment Plant Ozone Facility in honor of former Metropolitan Director Ina S. Roth in recognition of her legacy of service to Metropolitan, commitment to advancing water quality initiatives, and public service achievements of the highest distinction.

Proposed Action(s)/Recommendation(s) and Options

Staff Recommendation: Option #1

Option #1

Approve the nomination and naming of the Joseph Jensen Water Treatment Plant Ozone Facility in honor of former Metropolitan Director Ina S. Roth.

Fiscal Impact: Minimal costs consisting of the estimated cost to provide signage for the facility. Staff work would be required to update the name of the facility on documents and information materials.

Business Analysis: Approval of nomination and naming of the Joseph Jensen Water Treatment Plant Ozone Facility in honor of Ms. Roth would recognize her substantial importance and positive impact to Metropolitan and public service achievements of the highest distinction.

Option #2

Take no action

Fiscal Impact: None

Business Analysis: If the nomination and naming are not approved, Metropolitan would forgo the opportunity to acknowledge the important and positive impact of Ms. Roth.

Alternatives Considered

Not applicable

Applicable Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By Minute Item 51324, dated September 11, 2018, the Board adopted the proposed Metropolitan Facilities Naming Policy Principle as a Board-Adopted Policy Principle.

Related Board Action(s)/Future Action(s)

Not applicable

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action involves a facility name nomination and, as such, is not defined as a project under CEQA (State CEQA Guidelines Section 15378) because the proposed action involves organizational and administrative activities that will not result in direct or indirect physical changes in the environment (Section 15378(b)(5) of the State CEQA Guidelines). Also, the proposed action is not subject to CEQA because it can be seen with certainty that designating a name for a facility will not cause a significant effect on the physical environment (Section 15061(b)(3) of the State CEQA Guidelines).

CEQA determination(s) for Option #2:

None required

Details and Background

Background

The Metropolitan Water District of Southern California (Metropolitan) is responsible for its facilities, including construction of new facilities, and operations and maintenance of existing facilities. A Metropolitan facility may be named or renamed after an individual, group of individuals, or an organization. The primary criteria for naming or renaming a Metropolitan facility is to honor an individual, group of individuals, or organization that has or have had a substantial, important, and positive impact upon Metropolitan as a member of its Board or as an employee, and/or demonstrated personal achievements of the highest distinction in a public service role while maintaining close ties with and providing significant support to Metropolitan.

Ina S. Roth Nomination

Ina S. Roth served on Metropolitan's Board of Directors from February 14, 1984, to February 11, 1992, representing the city of Beverly Hills, and was a tireless champion for safe drinking water. As the first chair of Metropolitan's Water Quality Board Committee, she played a pivotal role in shaping the organization's leadership in water quality. This committee was established, in part, to address new state and national drinking water standards, but it was Ms. Roth's dedication and leadership that elevated Metropolitan's efforts during this critical period.

During her tenure, there was growing concern from Metropolitan's customers about the aesthetic properties of Southern California's drinking water. Algal blooms in the source waters led to undesirable taste and odor issues, which significantly influenced public perception of water safety.

After extensive research, Metropolitan's staff proposed the use of ozone technology at its treatment plants to meet the new drinking water regulations and enhance taste and odor quality. As chair of the Water Quality Committee, Ms. Roth was deeply involved in this initiative. She challenged staff to thoroughly address concerns from Board members, demonstrating a keen understanding of the technical, financial, and policy aspects related to the ozone upgrade. Ms. Roth was a staunch advocate for this innovative technology and played a crucial role in securing Board approval for the Oxidation Demonstration Facility at the F.E. Weymouth Water Treatment Plant.

Ms. Roth continued to support the rollout of ozone at all Metropolitan treatment plants, providing essential guidance and backing to staff and Board members throughout the process. Her contributions were instrumental in establishing Metropolitan as a leader in water quality.

A native of New York, Ms. Roth moved to California in 1946. She had a distinguished career as an educator – first as a teacher and then as principal of Wilson High School located in Los Angeles. She also served as President of the Pacific Symphony for many years. She was an active member of the League of Women Voters and served as its liaison to the Beverly Hills City Council. Impressed with her intelligence and hard work, the Mayor asked her to serve as a member of the Planning Commission. Later, she was asked to sit on the three-person Civil Service Commission, for which she was President for eight of nine years. In 1976, Ms. Roth ran for a seat on the Beverly Hill City Council. She lost by a small margin, but Mayor Norton appointed her as a director to the Metropolitan Water District.

Ina S. Roth passed away in 2012, leaving behind a legacy of leadership in community forums and a lasting impact on the safety and quality of drinking water in Southern California.

Jensen Water Treatment Plant Ozone Facility

Metropolitan's ozone retrofit program was a response to new U.S. Environmental Protection Agency rules calling for stringent reductions in byproducts of drinking water disinfection associated with potential health risks.

Following years of research and testing at its ozone demonstration plant, in 2005, the Joseph P. Jensen Water Treatment Plant became the first of Metropolitan's plants to switch its primary disinfectant from chlorine to ozone, a process that improves aesthetics and reduces potential health concerns. Retrofit of the Jensen plant was part of an ambitious and ongoing capital improvement program supported by Metropolitan's Board to improve the quality of its water and to meet increasingly strict federal and state requirements.

At the time, the Jensen plant was the largest water treatment plant in the United States to employ ozone disinfection, treating up to 750 million gallons per day.

Today, all of Metropolitan's water treatment facilities use ozone as the primary disinfectant. This systemwide achievement has driven disinfection byproduct levels in Metropolitan's system to historically low levels. Ozonation also improves drinking water aesthetics, offers protection from pathogens and reduces other potential contaminants such as cyanotoxins.

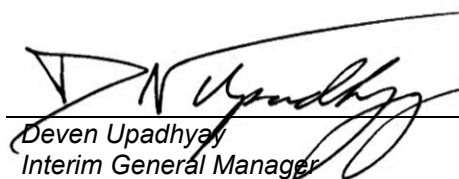
Nominations Received:

Nominator	Nominee	Facility
Dr. Mic Stewart Dr. Roy Wolfe Mr. Marshall Davis	Ina S. Roth	Jensen Plant Ozone Facility

9/23/2024


Sue Sims
External Affairs – Group Manager

Date


Deven Upadhyay
Interim General Manager

9/25/2024

Date

Attachment 1 – Nomination from Dr. Mic Stewart, Dr. Roy Wolfe and Mr. Marshall Davis for Ina S. Roth

Ref# 12702328



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Metropolitan Facilities Naming Request Form

It is the policy of The Metropolitan Water District of Southern California ("Metropolitan") acting through its Board of Directors to name and rename facilities. The naming and renaming criteria and procedures are available in the Metropolitan Facilities Naming Policy Principle. This form shall be used by an individual, groups of individuals or organization proposing names for new Metropolitan facilities or the renaming of existing Metropolitan facilities.

1. Name for consideration: INA ROTH OZONE FACILITY
 - ☐ Board to select appropriate Metropolitan facility
 - ☐ Facility proposed for naming or renaming: JENSEN TREATMENT PLANT OZONE FACILITY
2. The criteria which the proposed name meets or satisfies: (check all that apply)
 - ☒ Substantial, important and positive impact upon Metropolitan as a member of its Board or staff
 - ☐ Personal achievements of highest distinction in a public service role, while maintaining close ties with and providing significant support to Metropolitan
 - ☐ Names that have historical or regional significance to the facility or location, ordinarily not for living persons
 - ☐ Other: _____
3. Provide supporting documentation, as available:
 - a. A memorandum giving the particulars of the naming request that includes the rationale for the naming, referring to relevant criteria;
 - b. Background and information about the individual, group of individuals, or organization for which the facility is to be named or renamed;
 - c. Letters of support for this request;
 - d. Other information that may be relevant to the potential implementation of the request such as historical photographs and articles;
 - e. A list of other facilities named, or being proposed to be named or renamed after the same individual, group of individuals or organizations, including location and date.

You may be contacted by Metropolitan staff for additional information, if needed.

Name of Requestor: DIC. MIC STEWART

Mailing Address: 1899 N WILLOWGLEN PL., STAR IDAHO 83669

Telephone: 909 472-7275

Email: MR STEWART8@MSN.COM

Signature: [Signature]

Date: 8/23/24

Please mail this application and supporting documents to: Metropolitan Board of Directors, P.O. 54153, Los Angeles, CA 90054-053 or ssims@mwdh2o.com

Metropolitan Water District of Southern California
Facilities Naming Request Form



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Metropolitan Facilities Naming Request Form

It is the policy of The Metropolitan Water District of Southern California ("Metropolitan") acting through its Board of Directors to name and rename facilities. The naming and renaming criteria and procedures are available in the **Metropolitan Facilities Naming Policy Principle**. This form shall be used by an individual, groups of individuals or organization proposing names for new Metropolitan facilities or the renaming of existing Metropolitan facilities.

1. **Name for consideration:** Ina Roth Ozonation Facility
 - ☐ Board to select appropriate Metropolitan facility
 - ☒ Facility proposed for naming or renaming: Jensen Plant Ozonation Facility
2. **The criteria which the proposed name meets or satisfies:** (check all that apply)
 - ☒ Substantial, important and positive impact upon Metropolitan as a member of its Board or staff
 - ☒ Personal achievements of highest distinction in a public service role, while maintaining close ties with and providing significant support to Metropolitan
 - ☐ Names that have historical or regional significance to the facility or location, ordinarily not for living persons
 - ☐ Other: _____
3. **Provide supporting documentation, as available:**
 - a. A memorandum giving the particulars of the naming request that includes the rationale for the naming, referring to relevant criteria;
 - b. Background and information about the individual, group of individuals, or organization for which the facility is to be named or renamed;
 - c. Letters of support for this request;
 - d. Other information that may be relevant to the potential implementation of the request such as historical photographs and articles;
 - e. A list of other facilities named, or being proposed to be named or renamed after the same individual, group of individuals or organizations, including location and date.

You may be contacted by Metropolitan staff for additional information, if needed.

Name of Requestor: Dr. Roy L. Wolfe

Mailing Address: 2830 Cedarglent Ct, Fullerton CA 92835

Telephone: (714) 872-1744

Email: roylwolfe@gmail.com

Signature: *Ry Wolfe* **Date:** Aug 22, 2024

Please mail this application and supporting documents to: Metropolitan Board of Directors, P.O. 54153, Los Angeles, CA 90054-053 or ssims@mwdh2o.com

Metropolitan Water District of Southern California
Facilities Naming Request Form

August 22, 2024

To: Metropolitan Board of Directors, Facilities Naming Committee

From: Dr. Mic Stewart, Dr. Roy Wolfe, and Mr. Marshall Davis

Subject: Naming of Jensen Ozone Facility to “Ina Roth Ozone Facility”

This letter is in support of naming the Jensen Ozone Facility located at the Joseph Jensen Water Treatment Plant as the “Ina Roth Ozone Facility.” Ina Roth served on Metropolitan’s Board of Directors in the 1980s representing the City of Beverly Hills. Ms. Roth served as the first chair of Metropolitan’s Water Quality Board Committee. This committee was formed, in part, to address new State and National drinking water standards. Also, during this time there was increased interest from Metropolitan’s customers concerning the aesthetic properties of drinking water in Southern California. Source waters used by Metropolitan are subject to algal blooms resulting in undesirable taste and odor characteristics in the treated water. It is well known that most people assess the safety of their drinking water based on its aesthetic properties.

After considerable research, Metropolitan’s staff proposed the use of ozone at its treatment plants to address the new drinking water regulations and to improve taste and odor characteristics of treated water served to its member agencies. As the committee chair Ms. Roth was highly engaged in this process and challenged staff to provide appropriate responses to Board member concerns. Ms. Roth’s inquiries demonstrated her ability to quickly grasp technical, financial and policy issues associated with upgrading Metropolitan’s treatment plants with ozone. She championed this new technology and was instrumental in securing Board approval of the Oxidation Demonstration Facility at the F. E. Weymouth Water Treatment Plant. Ms. Roth continued to support the implementation of ozone at all of Metropolitan’s treatment plants and provided invaluable support and guidance to staff and Board members during this challenging process.

Ina Roth passed away in 2012. She was a leader in various community forums and a tireless champion in promoting safe drinking water. As staff members we are grateful for her critical role in the implementation of ozone at Metropolitan’s treatment plants. We strongly endorse the naming of the Jensen Ozone Facility as the “Ina Roth Ozone Facility” in her memory.

Sincerely,

Dr. Mic Stewart (retired Director of Water Quality)

Dr Roy Wolfe (retired Corporate Resources Group Manager)

Mr. Marshall Davis (retired Water Quality Laboratory Manager)



- **Board of Directors**
Ad Hoc Committee on Facilities Naming

10/8/2024 Board Meeting

8-5

Subject

Approve the nomination and naming of Metropolitan's Water Quality Laboratory in honor of former Metropolitan Water Quality Manager and Director of Water Quality, Dr. Michael J. McGuire; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

Metropolitan's Facilities Naming Policy Principle establishes approved standard criteria and procedures to submit a naming request for consideration by Metropolitan's Board. The Board has received nominations from Mr. Paul Rochelle, current Section Manager of Water Quality at Metropolitan, and from former Metropolitan staff members, Dr. Mic Stewart, Dr. Roy Wolfe and Mr. Marshall Davis to recommend naming the Water Quality Laboratory in honor of former Metropolitan employee Dr. Michael J. McGuire, who served as Water Quality Manager and Director of Water Quality, and later Assistant General Manager, in recognition of his legacy of service to Metropolitan, commitment to advancing water quality initiatives, and public service achievements of the highest distinction.

Proposed Action(s)/Recommendation(s) and Options

Staff Recommendation: Option #1

Option #1

Approve the nomination and naming of the Water Quality Laboratory in honor of former Metropolitan Water Quality Manager and Director of Water Quality, Dr. Michael J. McGuire

Fiscal Impact: Minimal costs consisting of the estimated cost to provide signage for the facility. Staff work would be required to update the name of the facility on documents and information materials.

Business Analysis: Approval of nomination and naming of the Water Quality Laboratory in honor of Dr. Michael J. McGuire would recognize his substantial importance and positive impact to Metropolitan and public service achievements of the highest distinction.

Option #2

Take no action.

Fiscal Impact: None

Business Analysis: If the nomination and naming are not approved, Metropolitan would forgo the opportunity to acknowledge the important and positive impact of Dr. McGuire.

Alternatives Considered

Not applicable

Applicable Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By Minute Item 51324, dated September 11, 2018, the Board adopted the proposed Metropolitan Facilities Naming Policy Principle as a Board-Adopted Policy Principle.

Related Board Action(s)/Future Action(s)

Not applicable

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves organizational, maintenance, or administrative activities; personnel-related actions; and/or general policy and procedure making that will not result in direct or indirect physical changes in the environment. (Public Resources Code Section 21065; State CEQA Guidelines Section 15378(b)(2) and (5)).

CEQA determination for Option #2:

None required

Details and Background

Background

The Metropolitan Water District of Southern California (Metropolitan) is responsible for its facilities, including construction of new facilities, and operations and maintenance of existing facilities. A Metropolitan facility may be named or renamed after an individual, group of individuals, or an organization. The primary criteria for naming or renaming a Metropolitan facility is to honor an individual, group of individuals, or organization that has or have had a substantial, important, and positive impact upon Metropolitan as a member of its Board or as an employee, and/or demonstrated personal achievements of the highest distinction in a public service role while maintaining close ties with and providing significant support to Metropolitan.

Michael J. McGuire Nomination

Dr. Michael J. McGuire was a driving force behind the building of the Water Quality Laboratory and in establishing Metropolitan as a leader in the field of water quality.

In 1979, Dr. McGuire began his career as a water quality engineer in Metropolitan's Water Quality Branch. He later became the Director of Water Quality and, in 1990, was appointed Assistant General Manager. During his tenure, significant regulatory changes at both state and federal levels prompted him to elevate the importance of water quality within the organization, leading to the Water Quality Branch being upgraded to a Division. Dr. McGuire believed that addressing complex water quality challenges required a multidisciplinary approach, and he recruited top engineers and scientists to collaborate on developing innovative solutions. The rapid increase in staff and the growing need for resources led to the expansion of laboratory and research facilities. Dr. McGuire was instrumental in the creation of the cutting-edge Water Quality Laboratory and the construction of the \$20 million Oxidation Demonstration Facility.

Dr. McGuire recognized the crucial role of research in meeting new regulatory demands and advancing water quality science. Under his leadership, the research conducted by Metropolitan's Water Quality Division significantly influenced the development of emerging water quality regulations. This led to Metropolitan gaining national and international recognition as a leader in water quality. Dr. McGuire encouraged staff to actively participate in scientific forums and serve on professional water industry committees.

One of his most notable accomplishments was the introduction of ozone disinfection at Metropolitan's treatment plants. Extensive research was conducted to develop the most effective implementation strategy, and under Dr. McGuire's leadership, the Water Quality team presented their findings to Metropolitan's Board of Directors and member agencies, seeking input on various ozone-related issues. The research conducted at Metropolitan has since benefited ozone plants both in California and nationwide. Additionally, Dr. McGuire enhanced treatment strategies for Metropolitan's source water reservoirs to address taste and odor issues. He oversaw the development of advanced detection methods for taste and odor compounds and introduced Flavor Profile Analysis

to ensure that the treated water met consumer standards for acceptability before being delivered to Metropolitan's Member Agencies.

After leaving Metropolitan, Dr. McGuire continued his work on water quality issues in the private sector. From 2010 to 2014, he was a lecturer at the University of California, Los Angeles, where he taught a course in water treatment plant design. In 2014, he was appointed as adjunct professor at UCLA where he taught courses in the Civil and Environmental Engineering Department and the Institute of Environment and Sustainability. He served as Vice President of the American Water Works Association from 1994 to 1996, and has been a member of the Water Environment Foundation for over 40 years. He is also a member of Sigma Xi, the Scientific Research Society, American Academy of Environmental Engineers, American Chemical Society, American Society of Civil Engineers and the International Water Association, and has participated in several committees of the National Research Council of the National Academies.

Dr. McGuire has authored and presented over 300 professional articles and co-edited five books. His book, *The Chlorine Revolution: Water Disinfection and the Fight to Save Lives*, has been highly praised within the water industry. Throughout his career, Dr. McGuire has received numerous awards and honors, including the esteemed Abel Wolman Award, which recognizes individuals in the water industry who demonstrate vision, creativity, and excellence. The award also acknowledges recipients whose careers have had a significant effect on the professionalism of the water sector.

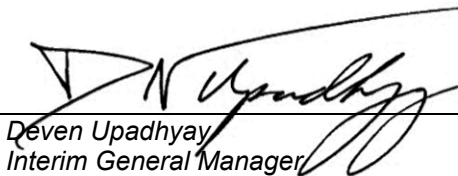
Nominations Received:

Nominator	Nominee	Facility
Paul Rochelle, Section Manager, Water Quality	Dr. Michael J. McGuire	Water Quality Lab
Dr. Mic Stewart Dr. Roy Wolfe Mr. Marshall Davis	Dr. Michael J. McGuire	Water Quality Lab


 Sue Sims
 Group Manager – External Affairs

9/27/2024

Date


 Deven Upadhyay
 Interim General Manager

10/1/2024

Date

Attachment 1 – Nomination submittal by Mr. Paul Rochelle, Section Manager, Water Quality for Dr. Michael McGuire

Attachment 2 – Nomination submittal by Dr. Mic Stewart, Dr. Roy Wolfe and Mr. Marshall Davis for Dr. Michael McGuire

Attachment 3 – Support letter from Mr. Ed Means for Dr. Michael McGuire



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Metropolitan Facilities Naming Request Form

It is the policy of The Metropolitan Water District of Southern California ("Metropolitan") acting through its Board of Directors to name and rename facilities. The naming and renaming criteria and procedures are available in the **Metropolitan Facilities Naming Policy Principle**. This form shall be used by an individual, groups of individuals or organization proposing names for new Metropolitan facilities or the renaming of existing Metropolitan facilities.

1. Name for consideration: Dr. Michael J. McGuire

- ☐ Board to select appropriate Metropolitan facility
- ☒ Facility proposed for naming or renaming: Water Quality Laboratory

2. The criteria which the proposed name meets or satisfies: (check all that apply)

- ☒ Substantial, important and positive impact upon Metropolitan as a member of its Board or staff
- ☒ Personal achievements of highest distinction in a public service role, while maintaining close ties with and providing significant support to Metropolitan
- ☐ Names that have historical or regional significance to the facility or location, ordinarily not for living persons
- ☐ Other: _____

3. Provide supporting documentation, as available:

- A memorandum giving the particulars of the naming request that includes the rationale for the naming, referring to relevant criteria;
- Background and information about the individual, group of individuals, or organization for which the facility is to be named or renamed;
- Letters of support for this request;
- Other information that may be relevant to the potential implementation of the request such as historical photographs and articles;
- A list of other facilities named, or being proposed to be named or renamed after the same individual, group of individuals or organizations, including location and date.

You may be contacted by Metropolitan staff for additional information, if needed.

Name of Requestor: Paul Rochelle

Mailing Address: Water Quality Laboratory, 700 Moreno Avenue, La Verne, CA 91750

Telephone: (909)230-1199

Email: prochelle@mwdh2o.com

Signature: Paul A Rochelle

Digitally signed by Paul A Rochelle
Date: 2024.09.09 13:47:32 -0700

Date: 9/9/2024

Please mail this application and supporting documents to: Metropolitan Board of Directors, P.O. 54153, Los Angeles, CA 90054-053 or **ssims@mwdh2o.com**

Metropolitan Water District of Southern California
Facilities Naming Request Form

September 9, 2024

To: Facilities Naming Committee, Metropolitan Board of Directors
From: Paul Rochelle, Water Quality Section Manager
Subject: Naming the Water Quality Laboratory after Dr. Michael J. McGuire

This memorandum provides information in support of naming the Water Quality Laboratory in La Verne after Dr. Michael J. McGuire.

Michael McGuire joined Metropolitan as a water quality engineer in 1979, supervising the Water Quality Laboratory and directing various treatment and environmental chemistry projects. He became Water Quality Branch manager in 1984 and the Director of Water Quality when the Branch became a Division. Under his leadership, Water Quality conducted a comprehensive research program to determine the cause of taste and odor problems, developed a sensitive technique for measuring taste and odor compounds, and introduced the Flavor Profile Analysis method, adapted from the food and beverage industry, and still used today. In addition, SCUBA diving was introduced as a tool for managing water quality in lakes under Dr. McGuire's tenure in the early 1980s. As the water quality engineer and then Water Quality Branch Manager, he led the project to build the original dedicated Water Quality Laboratory at the Weymouth facility, completed in 1985, which was needed to accommodate new and more sophisticated testing methods and the increased staff needed to do the work. Under his leadership, Water Quality increased from 42 positions to 82 staff in just six years.

Dr. McGuire managed conversion of Metropolitan's secondary disinfection from free chlorine to chloramines in 1984/85 and with the strong support of Metropolitan Director Ina Roth (Chair of the Special Committee on Water Quality), he set Metropolitan on the path to adopting ozone as the primary disinfectant at the treatment plants. After extensive research, he recognized that ozone would provide better control of disinfection byproducts while inactivating pathogens and help to mitigate unpleasant tastes and odors in drinking water. He was the originator and driving force in developing the Oxidation Demonstration Plant at the Weymouth facility, which was used to test and confirm the efficacy of ozone for improving the quality of Metropolitan's water over many years of operation.

In his six years in charge of the Water Quality Branch/Division, Dr. McGuire established Metropolitan as a water quality leader and set the stage for innovative and groundbreaking research to improve water quality and protect public health. He authored, co-authored, or staff under his leadership authored numerous technical papers, reports, and conference presentations on a wide variety of topics, including organic chemical contaminants, ozone disinfection, taste and odor analysis, disinfection byproducts, treatment technologies, controlling algae growth in reservoirs, and drinking water regulations. After leaving Water Quality in 1990 and Metropolitan in 1992, he has continued to make significant contributions to the water industry.



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Metropolitan Facilities Naming Request Form

It is the policy of The Metropolitan Water District of Southern California ("Metropolitan") acting through its Board of Directors to name and rename facilities. The naming and renaming criteria and procedures are available in the Metropolitan Facilities Naming Policy Principle. This form shall be used by an individual, groups of individuals or organization proposing names for new Metropolitan facilities or the renaming of existing Metropolitan facilities.

1. Name for consideration: DR. MICHAEL J. MCGUIRE WATER QUALITY LABORATORY
 - ☐ Board to select appropriate Metropolitan facility
 - ☒ Facility proposed for naming or renaming: WATER QUALITY LABORATORY
2. The criteria which the proposed name meets or satisfies: (check all that apply)
 - ☒ Substantial, important and positive impact upon Metropolitan as a member of its Board or staff
 - ☐ Personal achievements of highest distinction in a public service role, while maintaining close ties with and providing significant support to Metropolitan
 - ☐ Names that have historical or regional significance to the facility or location, ordinarily not for living persons
 - ☐ Other: _____
3. Provide supporting documentation, as available:
 - a. A memorandum giving the particulars of the naming request that includes the rationale for the naming, referring to relevant criteria;
 - b. Background and information about the individual, group of individuals, or organization for which the facility is to be named or renamed;
 - c. Letters of support for this request;
 - d. Other information that may be relevant to the potential implementation of the request such as historical photographs and articles;
 - e. A list of other facilities named, or being proposed to be named or renamed after the same individual, group of individuals or organizations, including location and date.

You may be contacted by Metropolitan staff for additional information, if needed.

Name of Requestor: DR. MIC STEWART

Mailing Address: 1999 N WILLAMGLEN PL., STAR ID#10 83669

Telephone: 909 472 7275

Email: MICSTEWART8@MSN.COM

Signature: [Signature] Date: 8/23/24

Please mail this application and supporting documents to: Metropolitan Board of Directors, P.O. 54153, Los Angeles, CA 90054-053 or ssims@mwdh2o.com

Metropolitan Water District of Southern California
Facilities Naming Request Form



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Metropolitan Facilities Naming Request Form

It is the policy of The Metropolitan Water District of Southern California ("Metropolitan") acting through its Board of Directors to name and rename facilities. The naming and renaming criteria and procedures are available in the **Metropolitan Facilities Naming Policy Principle**. This form shall be used by an individual, groups of individuals or organization proposing names for new Metropolitan facilities or the renaming of existing Metropolitan facilities.

1. **Name for consideration:** Dr. Michael J. McGuire Water Quality Laboratory
 - ☐ Board to select appropriate Metropolitan facility
 - ☒ Facility proposed for naming or renaming: Water Quality Laboratory
2. **The criteria which the proposed name meets or satisfies:** (check all that apply)
 - ☒ Substantial, important and positive impact upon Metropolitan as a member of its Board or staff
 - ☒ Personal achievements of highest distinction in a public service role, while maintaining close ties with and providing significant support to Metropolitan
 - ☐ Names that have historical or regional significance to the facility or location, ordinarily not for living persons
 - ☐ Other: _____
3. **Provide supporting documentation, as available:**
 - a. A memorandum giving the particulars of the naming request that includes the rationale for the naming, referring to relevant criteria;
 - b. Background and information about the individual, group of individuals, or organization for which the facility is to be named or renamed;
 - c. Letters of support for this request;
 - d. Other information that may be relevant to the potential implementation of the request such as historical photographs and articles;
 - e. A list of other facilities named, or being proposed to be named or renamed after the same individual, group of individuals or organizations, including location and date.

You may be contacted by Metropolitan staff for additional information, if needed.

Name of Requestor: Dr. Roy L. Wolfe

Mailing Address: 2830 Cedarglen Ct, Fullerton CA 92835

Telephone: (714) 872-1744

Email: roylwolfe@gmail.com

Signature: *[Signature]* **Date:** Aug 22, 2024

Please mail this application and supporting documents to: Metropolitan Board of Directors, P.O. 54153, Los Angeles, CA 90054-053 or ssims@mwdh2o.com

Metropolitan Water District of Southern California
Facilities Naming Request Form

Metropolitan Facilities Naming Request Form

It is the policy of The Metropolitan Water District of Southern California ("Metropolitan") acting through its Board of Directors to name and rename facilities. The naming and renaming criteria and procedures are available in the Metropolitan Facilities Naming Policy Principle. This form shall be used by an individual, groups of individuals or organization proposing names for new Metropolitan facilities or the renaming of existing Metropolitan facilities.

1. Name for consideration: Dr. Michael J. McGuire Water Quality Laboratory

- ☐ Board to select appropriate Metropolitan facility
- ☒ Facility proposed for naming or renaming: Water Quality Laboratory

2. The criteria which the proposed name meets or satisfies: (check all that apply)

- ☒ Substantial, important and positive impact upon Metropolitan as a member of its Board or staff
- ☒ Personal achievements of highest distinction in a public service role, while maintaining close ties with and providing significant support to Metropolitan
- ☐ Names that have historical or regional significance to the facility or location, ordinarily not for living persons
- ☐ Other: _____

3. Provide supporting documentation, as available:

- a. A memorandum giving the particulars of the naming request that includes the rationale for the naming, referring to relevant criteria;
- b. Background and information about the individual, group of individuals, or organization for which the facility is to be named or renamed;
- c. Letters of support for this request;
- d. Other information that may be relevant to the potential implementation of the request such as historical photographs and articles;
- e. A list of other facilities named, or being proposed to be named or renamed after the same individual, group of individuals or organizations, including location and date.

You may be contacted by Metropolitan staff for additional information, if needed.

Name of Requestor: Marshall Davis

Mailing Address: 637 Sedalia Avenue, La Verne, CA 91750

Telephone: 1 909 234-2092

Email: mkdavis48@aol.com

Signature: Marshall Davis Date: 8/23/2024

Please mail this application and supporting documents to: Metropolitan Board of Directors, P.O. 54153, Los Angeles, CA 90054-0553 or ssims@mwdh2o.com

Metropolitan Water District of Southern California
Facilities Naming Request Form

August 22, 2024

To: Metropolitan Board of Directors, Facilities Naming Committee

From: Dr. Mic Stewart, Dr. Roy Wolfe, and Mr. Marshall Davis

Subject: Naming of Metropolitan's Water Quality Laboratory to "Dr. Michael J. McGuire Water Quality Laboratory"

This letter is in support of naming Metropolitan's Water Quality Laboratory as the "Dr. Michael J. McGuire Water Quality Laboratory." In 1979, Dr. McGuire started as a water quality engineer in the Water Quality Branch. He subsequently became the Director of Water Quality and by 1990 became an Assistant General Manager. In 1992, Dr. McGuire retired from Metropolitan and started McGuire Environmental Consultants, Inc. Significant regulatory developments at both the State and Federal level occurred during Dr. McGuire's tenure at Metropolitan. In response, he elevated the role of water quality at Metropolitan which resulted in the Water Quality Branch obtaining Division status. He believed that challenging water quality issues would be best addressed by a multidisciplinary approach and subsequently hired highly talented engineers and scientists to work together to develop new and innovative solutions. The rapid growth in staff and the need for expanded facilities necessitated the expansion of laboratory and research facilities. Dr. McGuire was the key driving force behind the building of the state-of-the-art Water Quality Laboratory and the \$20 million dollar Oxidation Demonstration Facility.

Dr. McGuire understood that research played a pivotal role in addressing new regulatory requirements and advancing the science of water quality. Under his leadership, many of the developing water quality regulations were influenced based on research conducted by Metropolitan's Water Quality Division. Metropolitan soon became recognized as a national and international leader in water quality issues. Dr. McGuire encouraged Water Quality staff participation in scientific forums and to serve as members of professional water industry committees.

One of Dr. McGuire's key achievements included the implementation of ozone disinfection at Metropolitan's treatment plants. Considerable research was performed to develop the most effective implementation strategy. Under Dr. McGuire's guidance, Water Quality staff provided presentations to Metropolitan's Board of Directors and Metropolitan's Member Agencies seeking input on various ozone implementation issues. Ozone plants in California and across the country have benefited from the research conducted at Metropolitan. Dr. McGuire also implemented more robust treatment strategies in Metropolitan's source water reservoirs to address taste and odor concerns. As part of this effort, he also directed

the development of new detection methods for taste and odor compounds and introduced the Flavor Profile Analysis to ensure consumer acceptability of treated water delivered to Metropolitan's member agencies.

Dr. McGuire's professional accomplishments are considerable. He has written and presented over 300 professional articles and co-edited five books. His book entitled "The Chlorine Revolution: Water Disinfection and the Fight to Save Lives" has received critical acclaim in the water industry. Dr. McGuire has received numerous professional awards and honors including the prestigious Abel Wolman Award which is given to recognize individuals in the water works industry that exemplify vision, creativity, and excellence. The award also stipulates that recipients' careers must have had recognizable impact on the professionalism of the water industry.

Overlooking the sedimentation basins at the F. E. Weymouth Treatment Plant is the inscription "Life Giving Water to Make Forever Fruitful the Land of a People of Vision and Courage." Dr. McGuire exemplifies the spirit of this inscription. He is a leader in the water industry and is known for his vision and courage in addressing challenges associated with providing safe drinking water to Metropolitan's customers. He was the driving force behind the building of the Water Quality Laboratory and in establishing Metropolitan as a leader in the field of water quality. We strongly endorse naming the Water Quality Laboratory as the "Dr. Michael J. McGuire Water Quality Laboratory."

Sincerely,

Dr. Mic Stewart (retired Director of Water Quality)

Dr. Roy Wolfe (retired Corporate Resources Group Manager)

Mr. Marshall Davis (retired Water Quality Laboratory Manager)

Sims,Sue

From: Mic STEWART <micstewart8@msn.com>
Sent: Saturday, September 7, 2024 2:54 PM
To: Ortega,Anthony R; Wheeler,Margie; Sims,Sue
Subject: Nomination Letters for Dr. Michael McGuire and Ms. Ina Roth
Attachments: Mike Nomination letter final rev.docx; Nomination forms--Wolfe; Nomination of Ina Roth final.docx; scan_20240823104453.pdf; MJM Nomination MKD.jpeg

Chair Ortega:

Attached are two letters of support for renaming Metropolitan's Water Quality Laboratory as the "Dr. Michael J. McGuire Water Quality Laboratory" and the ozone facility located at the Joseph Jensen Water Treatment Plant as the "Ina Roth Ozone Facility". These letters are signed by Dr. Roy Wolfe, Mr. Marshall Davis and myself. These letters and accompanying Metropolitan Facilities Naming Request Forms were originally submitted on August 23. I am resubmitting this information as I understand that the Facilities Naming Committee is meeting soon and needs timely input on the facilities naming issue.

Please contact me if you need additional information.

Sincerely,
Dr. Mic Stewart, Water Quality Director (retired)

Ed Means
President
Means Consulting LLC
2100 Serrano Avenue
Newport Beach, CA 92661
edmeans@icloud.com
(949) 439-9120

August 26, 2024

Mr. Michael Comacho
Chairman, Ad Hoc Committee on Facilities Naming
Metropolitan Water District of Southern California
700 N Alameda St, #1, Los Angeles, CA

Letter of Support for Naming the Water Quality Laboratory after Dr. Michael J. McGuire

Dear Mr. Comacho,

I am writing to express my enthusiastic support for the proposal to name the Water Quality Laboratory in La Verne after Dr. Michael J. McGuire. This initiative not only honors an individual of exceptional merit but also reflects the values and legacy that Metropolitan strives to uphold.

Dr. McGuire, during his tenure at Metropolitan through from 1979 to approximately 1992 80's has made significant contributions to the drinking water community through

- Leading the remarkable rise of the Water Quality function. In the 1970's the laboratory function consisted of about a dozen chemists, microbiologists, and engineers providing primarily operations support and basic regulatory compliance. Under Dr. McGuire's direction in the 1980's, the water quality function expanded to 82 chemists, microbiologists, and engineers.
- This development featured multiple initiatives directly spearheaded by Dr. McGuire including:
 - Leading Metropolitan's conversion to chloramines in the early 1980's to meet more stringent disinfection by-product standards.
 - Providing national leadership in the 1986 reauthorization of the Safe Drinking Water Act saving Metropolitan billions of dollars in treatment costs.
 - Leading the development of nitrification control technology at Metropolitan.
 - McGuire programmed the new 28,000 square-foot, green-field laboratory which was constructed and opened in 1985. Prior to that the laboratory was shoehorned into a 1940's era building.
 - Leading the development of taste and odor algae control methods.
 - Spearheading the research and policy for Metropolitan's conversion to ozone/PEROXONE.

- Initiating and supporting development of cutting-edge disinfection by-product (DBP) analytical and research capability. This proved to be prescient in positioning Metropolitan to lead negotiations on DBP regulations in Washington DC in the 1990's. Dr. McGuire also personally provided key scientific and technical support to the development of national DBP standards in Washington DC during the 1990's.
- Leading the implementation of cutting-edge Flavor Profile Analysis at Metropolitan.
- Hundreds of publications in peer-reviewed journals and several books that have been cited over 7,000 times by other national and international researchers in the water quality community according to Google Scholar.
- Direct mentoring of staff to enable their rise to recognized leadership positions in the water quality community (including Stuart Krasner, Marshall Davis, Dr. Rick DeLeon, Dr. Mic Stewart, Dr. Roy Wolfe, Ted Tanaka, Ed Means, and many others).

Dr. McGuire's dedication and passion has left an indelible mark on Metropolitan and the broader water quality community. Further, he continues to be a resource to the region and the State. Naming the building after Dr. McGuire would be a fitting tribute to his enduring impact and serve as a lasting reminder of his exemplary commitment.

The Water Quality Laboratory stands as a symbol of our collective aspirations and achievements. By naming it after Dr. McGuire we honor his legacy in a way that aligns with the values of innovation, service, and leadership that Metropolitan exemplifies. This gesture would also serve as a powerful source of inspiration for future generations, encouraging them to follow in the footsteps of someone who has so profoundly shaped the field of environmental engineering and protection of water quality.

In conclusion, I wholeheartedly support the naming of Metropolitan's Water Quality Laboratory in honor of Dr. Michael J. McGuire. It is a fitting tribute that recognizes his extraordinary contributions and ensures that his legacy continues to inspire and guide us for years to come.

Thank you for considering this important proposal. I am confident that this decision will be met with great approval and respect from our community.

Sincerely,



Edward G. Means III
President
Means Consulting LLC



Water Resource Management Group

• Conservation Board Report October 2024

Summary

This report provides a summary of conservation activity and expenditures for August 2024.

Purpose

Informational

Detailed Report

Conservation Expenditures – FY2024/25 & FY2025/26 ⁽¹⁾

	Paid ⁽²⁾	Committed ⁽³⁾
Regional Devices	\$-0.1 M ⁽⁴⁾	\$1.5 M
Member Agency Administered	\$2.7 M	\$4.4 M
Turf Replacement	\$3.1 M	\$17.4 M
Advertising	\$0.0 M	\$0.2 M
Other	\$0.3 M	\$1.2 M
TOTAL	\$6.1 M	\$24.7 M

(1) The Conservation Program biennial expenditure authorization is \$98.2 million.

(2) Paid as of 7/1/2024 - 8/31/2024. Financial reporting on cash basis.

(3) Committed dollars as of September 10, 2024

(4) \$1M in costs from the SoCalGas Direct Install Program were transferred from the Conservation budget to reimbursable grant fund account.

Summary of Expenditures in August 2024: \$1,976,531 (1)

Lifetime Water Savings to be achieved by all rebates in August 2024: 2,242 AF

FY2024/25-FY2025/26: 7,469 AF lifetime water savings



Turf Replacement Rebates:

August: 353,225 ft² replaced

FY2024/25-FY2025/26: 1,270,892 ft² replaced



Trees (part of Turf Replacement Program):

August: 104 trees rebated

FY2024/25-FY2025/26: 395 units rebated



Smart Controllers:

August: 448 units rebated

FY2024/25-FY2025/26: 1,213 units rebated



Clothes Washers:

August: 583 units rebated

FY2024/25-FY2025/26: 1,307 units rebated



Toilets:

August: 1,086 units rebated

FY2024/25-FY2025/26: 3,149 units rebated



Sprinkler Nozzles:

August: 918 units rebated

FY2024/25-FY2025/26: 2,556 units rebated

(1) Expenditures may include advertising and Water Savings Incentive Program activity in addition to the incentives highlighted above.



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Board Information

- **Board of Directors**

- Finance and Asset Management Committee***

10/8/2024 Board Meeting

9-2

Subject

Compliance with Fund Requirements and Bond Indenture Provisions

Executive Summary

Pursuant to the annual reporting requirement contained in Section 5204 of the Metropolitan Water District Administrative Code, entitled "Compliance with Fund Requirements and Bond Indenture Provisions," the Chief Executive Officer has determined that during Fiscal Year 2023/24, Metropolitan was in compliance with the minimum fund requirements outlined in Division V, Chapter 2, Sections 5201 and 5202 of the Administrative Code, and the provisions of the articles and covenants contained in resolutions for all outstanding Metropolitan bonds. Based upon information furnished by the General Manager and the Auditor's Department, the General Counsel concurs with this determination. A checklist certifying compliance with all applicable provisions is included in **Attachment 1**.


Fiscal Impact

Required Administrative Code Requirement

Applicable Policy

Section 5204 of the Metropolitan Water District Administrative Code, entitled "Compliance with Fund Requirements and Bond Indenture Provisions"


Katano Kasaine
Assistant General Manager/
Chief Financial Officer
9/30/2024
Date


Deven Upadhyay
Interim General Manager
10/1/2024
Date

Attachment 1 – Checklist for Compliance with Bonded Debt and Commercial Paper Requirements

Ref# cfo12696168

**CHECKLIST FOR COMPLIANCE WITH
BONDED DEBT AND COMMERCIAL PAPER REQUIREMENTS**

Fiscal Year 2023/2024

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MWD ACT

Item	Action	Responsible	Completion Date	Initials
MWD Act				
PART 4 – POWERS AND PURPOSES				
Chapter 1 – Powers Generally				
Aggregate indebtedness (Pt. 4, Chap. 1, Sec. 123)	Aggregate indebtedness shall not exceed 15% of assessed valuation of all taxable property within Metropolitan.	Controller	<u>06/30/2024</u>	<u></u>
PART 5 – BONDS AND OTHER EVIDENCES OF INDEBTEDNESS				
Chapter 1 – Bonds Requiring Approval of Voters				
Use of Bond Proceeds and Interest as Construction Cost (Pt. 5, Chap. 1, Art. 3, Sec. 228)	The proceeds of the bonds, except for premium and accrued interest, shall be placed in the Treasury of Metropolitan.	Treasury and Debt Manager	<u>06/30/2024</u>	<u>SS</u>
	These proceeds shall be exclusively applied to the purposes and objects mentioned in the bond ordinance, except as otherwise provided in this section. Premium and accrued interest shall be applied to bond interest payments and bond retirement.	Controller	<u>06/30/2024</u>	<u></u>

MWD ACT

Item	Action	Responsible	Completion Date	Initials
Chapter 1.6 – Revenue Bonds				
Revenues to Pay Certain Costs (Pt. 5, Chap. 1.6, Sec. 238)	<p>The board shall fix the rate or rates at which water shall be sold pursuant to Chapter 2 (commencing with Section 130) of Part 4 which, with reasonable allowances for contingencies and error in the estimates, shall be at least sufficient, together with any other revenues not derived from the levy of taxes, to provide revenues to pay the following amounts in the order set forth:</p> <ol style="list-style-type: none"> 1. The necessary expenditures for operating and maintaining the properties, works, and facilities of Metropolitan, and also for such charges as may be payable by Metropolitan under a contract with this state for water which are classified as operation, maintenance, power, and replacement charges. 2. The principal and interest of the revenue bonds as the same become due and payable, including any sinking fund payments for term bonds, if any. 3. The deposits into any reserve funds that may be established to secure the revenue bonds. 4. Any other obligations which are liens or encumbrances upon the water revenues. 	Revenue and Budget Manager	<u>06/30/2024</u>	<u>A u</u>

MWD ACT

Item	Action	Responsible	Completion Date	Initials
PART 6 – TAXES				
Chapter 1 – General Procedure				
Tax Levies - Determination of Rates (Pt. 6, Chap. 1, Art. 2, Sec. 307)	On or before the 20th day of August*, the board shall, by resolution, determine the amount of money necessary to be raised by taxation during the fiscal year beginning the first day of July next preceding for all Metropolitan purposes and shall fix rates of taxation designating the number of cents, upon each one hundred dollars (\$100) assessed valuation of property taxable by Metropolitan in each county and shall levy a tax accordingly.	Treasury and Debt Manager	<u>06/30/2024</u>	<u>SS</u>
Tax Levies – Bond Service (Pt. 6, Chap. 1, Art. 2, Sec. 308)	If Metropolitan income will be inadequate to pay interest and principal (including any sinking fund) of any G.O. bonds, the Board shall at the time of fixing the tax levy, levy a tax sufficient to pay annual interest and such principal that becomes due before money from the next general tax levy becomes available. These taxes shall be used to pay only this principal and interest, except that it may be used to pay principal and interest on any voter-authorized bonds then outstanding or yet to be issued if the tax was originally levied to pay for authorized but unsold bonds which then remain unsold. Taxes shall also be levied to meet the requirement of any resolution adopted according to Section 287, Tax Levy for Notes. (See above.)	Treasury and Debt Manager	<u>06/30/2024</u>	<u>SS</u>

MWD ACT

Item	Action	Responsible	Completion Date	Initials
Statement of Tax Rates (Pt. 6, Chap. 1, Art. 2, Sec. 310)	Before the first day of September* the Controller of Metropolitan shall prepare and transmit to the auditor of each county in which property taxable by Metropolitan lies, a statement showing the tax rates to be applied to property taxable by Metropolitan. Such rates shall be the rates fixed by resolution of the board modified to the extent necessary to produce from each declaring public agency only the amount apportioned to it in such resolution, less any amount paid or undertaken to be paid by such agency, or credited thereto as provided in Chapter 2 (commencing with Section 331) of this part.	Treasury and Debt Manager	<u>06/30/2024</u>	<u>SS</u>

*FN- Dates are directory only, and any failure to perform specified acts by the time specified shall not impair the authority conferred in the Act.
(Pt. 6, Chap. 1, Art. 1, Sec. 320).







ADMINISTRATIVE CODE

Item	Action	Responsible	Completion Date	Initials
Administrative Code				
Division IV – Water Service Policies				
Chapter 3 – Water Sales Revenues				
Cost of Service and Revenue Requirement (§ 4301)(a)	The District shall fix rates for water such that anticipated water sales, revenues, together with anticipated revenues from any water standby or availability of service charge (such as the readiness-to-serve charge or capacity charge) or assessment, ad valorem tax revenues and other revenues pay the expenses of the District, provide for repairs and maintenance, provide for payment of the purchase price or other charges for property or services or other rights acquired by the District, and provide for the payment of the interest and principal of the District's outstanding bonded debt. Subject to the foregoing, such rates and charges shall reflect the costs of the district's major service functions, including water supply, conveyance, power, storage, distribution and treatment, to the greatest degree practicable.	Revenue and Budget Manager	<u>06/30/2024</u>	<u>A u</u>
Formula for Allocation of Water Revenues (§ 4301)(b)	Notwithstanding the provisions in subsection (a) above, amounts raised by ad valorem property taxation complied with the limitations established by section 124.5 of the Act.	Office of the CFO	<u>06/30/2024</u>	<u>KK</u>







ADMINISTRATIVE CODE

Item	Action	Responsible	Completion Date	Initials
Division V – Financial Matters				
Chapter 1 – Administrative Matters				
Investment of Surplus Funds (§ 5101)	The Board shall delegate to the Treasurer annually the authority to invest or to reinvest Funds of Metropolitan.	Treasury and Debt Manager	06/30/2024	SS
Reporting Requirements of the Treasurer (§ 5114)	The Treasurer shall not later than the June Board meeting submit Statement of Investment Policy to the Board for the following year.	Legal	06/30/2024	PR
		Legal	06/30/2024	PR
Chapter 2 – Financial Policies		Treasury and Debt Manager	06/30/2024	SS
Funds Established (§ 5201)				
General Obligation Bond Interest and Principal Funds and the Waterworks General Obligation Refunding Bonds Interest and Principal Funds (§ 5201(a))	Cash and securities in each fund as of June 30 shall equal debt service for the next 18 months, less anticipated revenue from tax levy specifically for this debt service.	Controller	06/30/2024	PR
Water Revenue Bonds Interest and Principal Funds, the Water Revenue Bonds Reserve Funds, the Water Revenue Refunding Bonds Interest and Principal Funds and the Water Revenue Refunding Reserve Bonds (§ 5201(b))	Cash and securities shall at least equal the minimums required by the respective resolutions of issuance for these bonds.	Controller	06/30/2024	PR
For the Subordinate Bonds Interest and Principal Funds, the Subordinate Water Revenue Bonds Reserve Funds, the Subordinate Water Revenue Refunding	Cash and securities shall at least equal the minimums required by the respective resolutions of issuance for these bonds.	Controller	06/30/2024	PR

ADMINISTRATIVE CODE

Item	Action	Responsible	Completion Date	Initials
Bonds Interest and Principal Funds and the Subordinate Water Revenue Refunding Reserve Funds (§ 5201 (c))				
Bond Construction Funds (§ 5201 (d))	No minimum requirement; provided that any cash and securities in such funds shall be restricted to use for the purposes such finances were required.	Controller	<u>06/30/2024</u>	<u></u>
State Contract Fund (§ 5201 (e))	Cash and securities on hand June 30 and December 31 shall equal the capital payments to the DWR that are due on July 1, of the same year and January 1 of the following year.	Controller	<u>06/30/2024</u>	<u></u>
Special Tax Fund (§ 5201 (f))	No minimum requirement.	Controller	<u>06/30/2024</u>	<u></u>
Operation and Maintenance Fund (§ 5201 (g))	Cash and securities shall at least equal the minimum required by the respective resolutions of issuance for revenue bonds (i.e., amount sufficient to pay estimated O&M Expenditures during current and next succeeding calendar month).	Controller	<u>06/30/2024</u>	<u></u>
Revolving Construction Fund (§ 5201 (h))	No minimum requirement. However, cash and securities in this fund shall be available for transfer to the Water Rate Stabilization Fund and the Water Treatment Surcharge Stabilization Fund at the discretion of the Board.	Controller	<u>06/30/2024</u>	<u></u>
Commercial Paper Series A and B, Note Payment Funds (§ 5201 (i))	Deposits to these funds shall be in an amount sufficient to pay principal of and interest on the Commercial Paper Notes in an amount at least	Controller	<u>06/30/2024</u>	<u></u>

ADMINISTRATIVE CODE

Item	Action	Responsible	Completion Date	Initials
Water Standby Charge Fund (§ 5201(j))	equal to one-half of the projected interest payments due on such notes in the subsequent fiscal year. There shall be no minimum requirement; provided that any cash and securities in such fund shall be restricted to use for the purposes such monies were authorized.	Controller	<u>06/30/2024</u>	<u></u>
Excess Earnings Funds (§ 5201(k))	The minimum requirement for all Excess Earnings Funds shall be the amounts deposited into the funds in accordance with the provisions of the Tax and Nonarbitrage Certificates and Resolutions for the Bonds.	Controller	<u>06/30/2024</u>	<u></u>
Iron Mountain Landfill Closure/Postclosure Maintenance Fund (§ 5201(m))	Cash and securities as of June 30, shall be at least equal to the CEO's latest estimates of closure and postclosure maintenance costs.	Controller	<u>06/30/2024</u>	<u></u>
Redemption Plan Trust Fund (SMARA) (§ 5201(r))	Cash and securities as of June 30, shall be at least equal to the CEO's latest estimate of closure and post-closure maintenance costs.	Controller	<u>06/30/2024</u>	<u></u>
Optional Redemption Funds (§ 5201(n))	The minimum requirement shall be the amount necessary to redeem such untendered, refunded bonds which have been called for redemption.	Controller	<u>06/30/2024</u>	<u></u>
Water Transfer Fund (§ 5201(o))	All amounts budgeted or pledged for purchase of water through transfers or similar arrangements and for the costs of filling the Diamond Valley Lake Project, shall be set aside in such fund and used solely for such purpose.	Controller	<u>06/30/2024</u>	<u></u>

ADMINISTRATIVE CODE

Item	Action	Responsible	Completion Date	Initials
<u>Fund Parameters (§ 5202)</u>				
Revenue Remainder Fund (§ 5202(a))	The minimum cash and securities held in the Water Revenue Remainder Fund as of June 30 shall be equal to a portion of fixed costs estimated to be recovered by water sales revenues for the eighteen months beginning with the immediately succeeding July.	Revenue and Budget Manager	<u>06/30/2024</u>	<u>AW</u>
Replacement and Refurbishment Fund (§ 5202(b))	The end-of-year fund balance may not exceed \$160 million. Available monies in excess of \$160 million at June 30 shall be transferred to the Water Rate Stabilization Fund, unless otherwise determined by the Board. (Amounts increased from \$95 million pursuant to Board adoption of Board Letter 8-1, on April 8, 2014)	Controller	<u>06/30/2024</u>	<u>PAK</u>
Water Rate Stabilization Fund (§ 5202(c and e))	Remaining amounts in the Revenue Remainder Fund and the Replacement and Refurbishment Fund, collectively, on June 30, after meeting requirements in Sections 5202(a) and (b), shall be transferred to the Water Rate Stabilization Fund, and to the extent required under Section 5202(d), to the Water Treatment Surcharge Stabilization Fund.	Controller	<u>06/30/2024</u>	<u>PAK</u>






ADMINISTRATIVE CODE

Item	Action	Responsible	Completion Date	Initials
	The amount held shall be targeted to be equal to the portion of fixed costs estimated to be recovered by water sales during the two years immediately following the eighteen month period in Section 5202(a). Funds in excess of targeted amount shall be utilized for capital expenditures in lieu of the issuance of additional debt, or for the redemption, defeasance or purchase of outstanding bonds or commercial paper, as determined by the Board. Provided that the fixed charge coverage ratio is at or above 1.2, amounts ratio in the Water Rate Stabilization Fund may be used for any lawful purpose as determined by the Board.	Revenue and Budget Manager	<u>06/30/2024</u>	<u>Av</u>
Water Treatment Surcharge Stabilization Fund (§ 5202(d))	After transferring funds as specified in Section 5202(c), that portion of those funds, if any, attributable to collection of treatment surcharge revenue in excess of treatment costs shall be transferred to the Water Treatment Surcharge Stabilization Fund. If a deficiency in treatment surcharge revenue exists, a transfer of funds will be made from this fund to reimburse funds used for the deficiency.	Controller	<u>06/30/2024</u>	<u>BAK</u>
Indirect Credit of Metropolitan (§ 5203)	The GM may negotiate with DWR on the basis of using the indirect credit of Metropolitan to finance State Revenue Bonds so long as Metropolitan's obligation does not exceed its required obligation under the State contract.	GM (by Office of the CFO)	<u>06/30/2024</u>	<u>KK</u>




ADMINISTRATIVE CODE

Item	Action	Responsible	Completion Date	Initials
Compliance with Fund Requirements and Bond Indenture Provisions (§ 5204)	As of June 30 of each year, the GM shall make a review to determine whether the minimum fund requirements outlined in Chapter 2 have been met and whether Metropolitan has complied with the provisions of the articles and covenants contained in the resolutions of issuance for all outstanding Metropolitan bond issues during the preceding fiscal year. The GM, after consulting with the General Counsel, shall report the results of his review, in writing, to the Board of Directors annually.	GM (by Office of the CFO)	<u>06/30/2024</u>	<u>KK</u>

FUND REQUIREMENTS

Item	Action	Responsible	Completion Date	Initials
FUND REQUIREMENTS				
Construction Funds	Metropolitan shall maintain certain funds and such funds shall be restricted to use for the purposes such finances were required..	Controller	<u>06/30/2024</u>	<u></u>
Water Revenue Fund	Monies in these funds shall be used solely for the purposes authorized in Chapter 1.6 of Part 5 of the Metropolitan Water District Act.	Controller	<u>06/30/2024</u>	<u></u>
	All operating revenues shall be allocated to this fund and all transfers from it shall be as specified in Article V of Board Resolution 8329.	Controller	<u>06/30/2024</u>	<u></u>
Operation and Maintenance Fund	Transfer amounts sufficient for O&M Expenditures in current calendar month and succeeding calendar month from the Revenue Fund to the O&M Fund on or before first business day of each calendar month.	Controller	<u>06/30/2024</u>	<u></u>
Interest & Principal Funds	Transfer appropriate amounts from the Revenue Fund to the Interest & Principal Funds on or before first business day of each calendar month.	Controller	<u>06/30/2024</u>	<u></u>
	If the above transfer(s) are not sufficient, then the deficiency shall be transferred from the Reserve Fund.	Controller	<u>06/30/2024</u>	<u></u>
Water Rate Stabilization Fund	Excess monies on or before the first business day of any calendar month shall be transferred to the Revenue Remainder Fund.	Controller	<u>06/30/2024</u>	<u></u>

FUND REQUIREMENTS

Item	Action	Responsible	Completion Date	Initials
	The amount held shall be targeted to be equal to the portion of fixed costs estimated to be recovered by water sales during the two years immediately following the eighteen month period in Section 5202(a). Funds in excess of targeted amount shall be utilized for capital expenditures in lieu of the issuance of additional debt, or for the redemption, defeasance or purchase of outstanding bonds or commercial paper, as determined by the Board. Provided that the fixed charge coverage ratio is at or above 1.2, amounts ratio Water Rate Stabilization Fund may be used for any lawful purpose as determined by the Board.			
Revolving Construction Fund	There is no minimum amount required for this fund. Construction expenditures made from this fund may be reimbursed with proceeds from security sales.	Controller	<u>06/30/2024</u>	<u></u>
Commercial Paper Note Payment Fund	For the Commercial Paper Note Payment Fund, Metropolitan shall deposit amounts sufficient to pay principal of, and interest on, the Commercial Paper Notes and repayment of any Advances as the same become due.	Controller	<u>06/30/2024</u>	<u></u>
Bond Service Fund ,	Cash and securities are restricted to use solely for the purposes authorized in Chapter 1.6 of Part 5 of the MWD Act. And must be at least equal to the	Treasury and Debt Manager	<u>06/30/2024</u>	<u>SS</u>
		Controller	<u>06/30/2024</u>	<u></u>




FUND REQUIREMENTS

Item	Action	Responsible	Completion Date	Initials
	minimum required by Resolution #8329, Section 5.06 for payment of interest and principal.			
Water Revenue Bond Reserve Funds	Transfer from the Bond Proceeds or operating revenues the "minimum reserve requirement" as defined in the Supplemental Resolution established for each series of Revenue Bonds.	Treasury and Debt Manager	<u>06/30/2024</u>	<u>SS</u>
		Controller	<u>06/30/2024</u>	<u>Pat</u>
Investment of Proceeds,	Monies in any fund other than the Escrow Fund may be invested in any legally available obligation which matures or can be liquidated on or before the date on which monies are needed.	Treasury and Debt Manager	<u>06/30/2024</u>	<u>SS</u>
		Treasury and Debt Manager	<u>06/30/2024</u>	<u>SS</u>
	Investments purchased with money from any fund shall be part of that fund as well as gains and losses related to those investments. For transferred funds, gains and losses shall be prorated for time spent in each respective fund.			
	Cash and investments shall be available to meet payment or transfer from this fund as required by the Resolution of Issuance.	Treasury and Debt Manager	<u>06/30/2024</u>	<u>SS</u>
Warranty	An investment shall be valued at its cost for the purpose of determining the balance in any fund. Investments shall also be valued at market value. The Treasurer and each Fiscal Agent shall keep proper books of record and accounts for each transaction.	Controller	<u>06/30/2024</u>	<u>Pat</u>
		Treasury and Debt Manager	<u>06/30/2024</u>	<u>SS</u>


FUND REQUIREMENTS

Item	Action	Responsible	Completion Date	Initials
	Metropolitan shall preserve the security of the bonds and defend the rights of bondholders against all claims.	Legal	<u>06/30/2024</u>	<u>PR</u>


USE OF PROCEEDS AND TAX LEVY

Item	Action	Responsible	Completion Date	Initials
USE OF PROCEEDS AND TAX LEVY				
Tax Levy / Interest and Principal Fund G.O. Bonds	If revenues of Metropolitan are inadequate to pay principal/interest on the bonds, the Board shall, at the time of fixing the tax levy, levy a tax sufficient to pay all principal and interest due until sufficient funds shall be available from the next general tax levy. These monies shall be put in the Interest and Principal Fund and used solely to pay principal and interest on these bonds.	Controller	<u>06/30/2024</u>	<u></u>
		Treasury and Debt Manager	<u>06/30/2024</u>	<u>SS</u>
Payment of Serial and Term Bonds	If the defeasance method is used, (see Item "Escrow Fund"), principal shall be paid by transferring monies from the Interest & Principal Fund to the Retirement Fund. If the crossover method is used (see Item "Escrow Fund"), principal, if any, and interest shall be paid from the Escrow Fund until the refunding date. Afterward, the bonds shall be paid as in the first sentence of this item.	Treasury and Debt Manager	<u>06/30/2024</u>	<u>SS</u>
Tax Covenant	Metropolitan will comply with applicable requirements of the Internal Revenue Code of 1986, Sections 103, and 141 through 150.	Legal	<u>06/30/2024</u>	<u>PR</u>
		Controller	<u>06/30/2024</u>	<u></u>
Additional Tax Covenant	Bond proceeds shall not be invested so as to become an "arbitrage bond" under Section 103 and 148 of the Internal Revenue Code of 1986 and the regulations of the Treasury Department and or which would cause the Bonds to lose exemption from federal income taxation of interest	Legal	<u>06/30/2024</u>	<u>PR</u>
		Controller	<u>06/30/2024</u>	<u></u>
		Treasury and Debt Manager	<u>06/30/2024</u>	<u>SS</u>

**GENERAL OBLIGATION BONDS
DISTRICT SECURITIES INVESTIGATION LAW OF 1965**

Item	Action	Responsible	Completion Date	Initials
General Obligation Bond Optional Redemption Fund	Sufficient amounts shall be maintained in the Optional Redemption Fund to retire untendered Bonds which were refunded.	Controller	<u>06/30/2024</u>	<u></u>
		Treasury and Debt Manager	<u>06/30/2024</u>	<u>SS</u>

U.S. TREASURY REGULATIONS

Item	Action	Responsible	Completion Date	Initials
U.S. TREASURY REGULATIONS				
Arbitrage Restrictions (Treasury Regulations, Section 1.148)	Arbitrage rebate calculations have been made for all outstanding Bond issues which are subject to rebate.	Controller	<u>06/30/2024</u>	<u></u>
		Legal	<u>06/30/2024</u>	<u>PR</u>

WATER REVENUE BONDS

Item	Action	Responsible	Completion Date	Initials
WATER REVENUE BONDS				
Punctual Payment	Metropolitan must punctually pay the principal or redemption price and interest due in respect of all Bonds in strict conformity with the terms of such Bonds and their respective Resolutions.	Treasury and Debt Manager	<u>06/30/2024</u>	<u>SS</u>
		Controller	<u>06/30/2024</u>	<u><i>Pat</i></u>
Discharge Claims	Metropolitan covenants to fully preserve and protect the priority and security of the Bonds of Metropolitan by paying all lawful claims for labor, materials and supplies in connection with the Water System which, if unpaid, may become a lien or charge upon the Operating Revenues prior or superior to the lien of the Bonds and impair the security of the Bonds. Metropolitan shall also pay all taxes and assessments or other governmental charges lawfully levied or assessed on the Water System or any part of the Operating Revenues.	Controller	<u>06/30/2024</u>	<u><i>Pat</i></u>
Against Sale, Eminent Domain	Metropolitan covenants that the Water System shall not be mortgaged or otherwise encumbered, sold, leased, pledged, any charge placed thereon, or disposed of as a whole or substantially as a whole unless such sale or other disposition be so arranged as to provide for a continuance of payments into the Water Revenue Fund sufficient in amount to permit payment therefrom of the principal and Accreted Value of and interest on and the premiums, if any, due upon the call and redemption thereof, of the Bonds and any Parity Obligations, and also to provide for such	Controller	<u>06/30/2024</u>	<u><i>Pat</i></u>


WATER REVENUE BONDS

Item	Action	Responsible	Completion Date	Initials
Against Sale, Eminent Domain (continued)	<p>payments into any reserve fund or account as are required under the terms of the Resolution or any Supplemental Resolutions or any Parity Obligations documents.</p> <p>The Operating Revenues shall not be mortgaged, encumbered, sold, leased, pledged, any charge placed thereon, or disposed of or used, nor shall any charge be placed thereon, except as authorized by the terms of the Resolution or any Supplemental Resolutions. Metropolitan further covenants that it will not enter into any agreement which impairs the operation of the Water System or any part of it necessary to secure adequate Net Operating Revenues to pay the principal and Accreted Value of and interest on the Bonds or any Parity Obligations or which otherwise would impair the rights of the Owners with respect to the Operating Revenues or the operation of the Water System. If any part of the Water System is sold and such sale shall adversely affect the adequacy of Net Operating Revenues to pay principal and Accreted Value of and interest on the Bonds or any Parity Obligations, the payment therefor shall, at the option of the Board, either be used for the acquisition, construction and financing of additions to and extension and improvements of the Water System or shall be used to pay or call and redeem Outstanding Bonds in the manner provided in the Resolution or any Supplemental Resolutions.</p>			

WATER REVENUE BONDS

Item	Action	Responsible	Completion Date	Initials
Against Sale, Eminent Domain (continued)	Metropolitan covenants that any amounts received as awards as a result of the taking of all or any part of the Water System by the lawful exercise of eminent domain or sale under threat thereof which shall adversely affect the adequacy of Net Operating Revenues to pay principal and Accreted Value of and interest on the Bonds or any Parity Obligations shall either be used for the acquisition and/or construction of improvements and extensions of the Water System or shall be placed in the Bond Service Fund or the Redemption Fund and shall be used to pay or call and redeem Outstanding Bonds in the manner provided in the Resolution.			
Insurance	Metropolitan covenants that it shall at all times maintain with responsible insurers, or through a program of self-insurance (or a combination thereof) all such insurance on the Water System as is customarily maintained with respect to works and properties against accident to, loss of or damage to such works or properties. If any useful part of the Water System shall be damaged or destroyed, such part shall be restored to use. The money collected from insurance against damage to or destruction of the Water System shall be used for repairing or rebuilding the damaged or destroyed Water System, and to the extent not so applied, shall be applied to the retirement of any Outstanding Bonds.	Risk Manager	<u>06/30/2024</u>	<u>DSB</u>

WATER REVENUE BONDS

Item	Action	Responsible	Completion Date	Initials
	Metropolitan shall also (by self-insuring or by maintenance with responsible insurers, or by a combination thereof) provide for workers' compensation insurance and insurance against public liability and property damage to the extent reasonably necessary to protect Metropolitan and the Owners.			
Records and Accounts	Metropolitan shall keep proper books of records and accounts of the Water System separate from all other records and accounts in which complete and correct entries shall be made of all transactions relating to the Water System. Such books shall at all times be subject to the inspection of the Owners of not less than 10 percent of the Outstanding Bonds and any Parity Obligations, or their representatives authorized in writing.	Controller	<u>06/30/2024</u>	<u></u>
	Metropolitan shall cause the books and accounts of the Water System to be audited annually by an independent certified public accountant or firm of certified public accountants, and will make available for inspection by the Owners at the principal office of Metropolitan, and at the office of each Fiscal Agent, a copy of the report of such accountant or accountants.	Auditor	<u>06/30/2024</u>	<u>SS</u>
Operating in an Efficient and Economical Manner	Metropolitan covenants and agrees to conduct the operations of the Water System in an efficient and economical manner and to maintain and preserve	Operations	<u>06/30/2024</u>	<u>MC</u>

WATER REVENUE BONDS

Item	Action	Responsible	Completion Date	Initials
Rate Covenants	the Water System in good repair and working order.			
	Metropolitan covenants in the Master Resolution that it will prescribe, revise, and collect rates and charges for the services, facilities, availability and water of the Water System which, after making allowances for contingencies and error in the estimates, will provide Operating Revenues, together with any Additional Revenues (defined in the Master Resolution to include interest, profits and other income received from the investment of any monies of Metropolitan and other revenues of Metropolitan (other than Operating Revenues) to the extent available to pay debt service on the Bonds), at least sufficient to pay the following amounts in the order set forth:	Controller	<u>06/30/2024</u>	<u><i>Pat</i></u>
		Revenue and Budget Manager	<u>06/30/2024</u>	<u><i>A u</i></u>
	<ol style="list-style-type: none"> 1. Operation and Maintenance Expenditures; 2. Principal of, premium, if any, and interest on the Prior Lien Bonds and any required deposits into any reserve funds or accounts for the Prior Lien Bonds; 3. Interest on and Bond Obligation (that is, the principal amount of any Current Interest Bond and the Accreted Value of any Capital Appreciation Bond, including Mandatory Sinking Account Payment) of the Outstanding Bonds and any Parity 			



WATER REVENUE BONDS

Item	Action	Responsible	Completion Date	Initials
Rate Covenants (continued)	<p>Obligations as the same become due and payable;</p> <p>4. All other payments required for compliance with the Master Resolution or any Supplemental Resolutions (including any required deposit to any reserve fund or account for any Series of Bonds); and</p> <p>5. All other payments required to meet any other obligations of Metropolitan which are charges, liens or encumbrances upon or payable from Net Operating Revenues.</p>			
Additional Indebtedness	<p>Metropolitan covenants in the Master Resolution that no additional indebtedness evidenced by revenue bonds, revenue notes or any other evidences of indebtedness payable out of its Operating Revenues shall be issued pursuant to the Act or any other law of the State of California having any priority in payment of principal, premium (if any) or interest over the Bonds.</p> <p>Metropolitan covenants in the Master Resolution that, except for refunding bonds or Parity Obligations to pay or discharge outstanding Prior Lien Bonds, Bonds or Parity Obligations, and which do not result in any increase in the average annual debt service on all Prior Lien Bonds, Bonds or Parity Obligations to be Outstanding, no additional Bonds or Parity Obligations shall be created or incurred unless:</p>	Legal	<u>06/30/2024</u>	<u>PR</u>

WATER REVENUE BONDS

Item	Action	Responsible	Completion Date	Initials
Additional Indebtedness (continued)	FIRST: Metropolitan is not in default under the terms of the Master Resolution.			
	SECOND: Either (1) the Net Operating Revenues of Metropolitan for the latest fiscal year or for any 12 consecutive months within the last completed 24 month period ended not more than one month before the issuance of additional Bonds or Parity Obligations, or (2) the estimated Net Operating Revenues for the first completed fiscal year when improvements to the Water System financed by the proceeds of the additional Bonds or Parity Obligations would be in operation, shall have amounted to not less than the sum of (i) 120 percent of the Maximum Annual Debt Service in any Fiscal Year thereafter on all Bonds and Parity Obligations to be Outstanding immediately subsequent to the issuing or incurring of such additional Bonds or Parity Obligations plus (ii) 100 percent of the maximum annual debt service in any Fiscal Year thereafter on all Prior Lien Bonds to be Outstanding immediately subsequent to the issuing or incurring of such additional Bonds or Parity Obligations, as certified by the Board or a Metropolitan officer authorized by the Board to so certify. In making this calculation, Metropolitan may take into consideration any changes in water rates or charges which shall have been approved by the Board prior to the	Treasury and Debt Manager	<u>06/30/2024</u>	<u>SS</u>
		Treasury and Debt Manager	<u>06/30/2024</u>	<u>SS</u>

WATER REVENUE BONDS

Item	Action	Responsible	Completion Date	Initials
Additional Indebtedness (continued)	creation of such additional Bonds or Parity Obligations, any increase in Net Operating Revenues which may arise from additions or improvements to the Water System to be made or acquired with the proceeds of such additional Bonds or Parity Obligations or using the proceeds of bonds previously issued, Additional Revenues and certain other funds specified in the Master Resolution.			
	THIRD: The amount in any reserve fund or account established for any Bonds or Parity Obligations will not be less than an amount required on the date of delivery of and payment of such additional Bonds or Parity Obligations by supplemental resolution or other documents creating such fund.	Controller	<u>06/30/2024</u>	<u></u>
Reserve Funds	Pursuant to a Supplemental Resolution, Metropolitan may establish a reserve fund or account for a series of Bonds to be maintained in such amount as may be set forth in such Supplemental Resolution.	Legal	<u>06/30/2024</u>	<u>PR</u>
Flow of Funds	Metropolitan shall allocate all Operating Revenues to the Water Revenue Fund and shall effect transfers from the Water Revenue Fund to the following special funds or accounts as soon as practicable in each month in the following order	Controller	<u>06/30/2024</u>	<u></u>

WATER REVENUE BONDS

Item	Action	Responsible	Completion Date	Initials
Flow of Funds (continued)	<p>of priority and amounts shall be withdrawn from said special accounts only for the following purposes:</p> <p><i>First</i>, to the Operation and Maintenance Fund, amounts sufficient for the payment of the estimated Operation and Maintenance Expenditures during the current calendar month and the succeeding calendar month.</p> <p><i>Second</i>, Metropolitan shall make any required transfers for payment of the Prior Lien Bonds and the maintenance of any required reserve funds or accounts therefor.</p> <p><i>Third</i>, for deposit in the Bond Service Fund, at least (A) (i) an amount sufficient on a monthly pro rata basis to pay the aggregate amount of the interest which will become due and payable on the Bonds with a fixed rate of interest on the next interest payment date and (ii) 110 percent of the interest which the Treasurer estimates in his or her reasonable judgment will accrue during that month on the Bonds with a variable rate of interest,</p> <p><i>Fourth</i>, in the event that monies are withdrawn from the Reserve Fund (or any reserve account for other Bonds or Parity Obligations), to the Reserve Fund (or any reserve account for other Bonds or Parity Obligations), (i) one-sixth of any unreplenished prior withdrawal and (ii) the full amount of any deficiency due to a valuation of</p>			


WATER REVENUE BONDS

Item	Action	Responsible	Completion Date	Initials
Flow of Funds (continued)	<p>the Reserve Fund (or any reserve account for other Bonds or Parity Obligations) investments until the balance is at least equal to the amount required to restore the Reserve Fund unless the Interest Account contains at least the amount equal to the interest to become due and payable within the next six months and (B)(i) one-sixth of the semi-annual Bond Obligation becoming due and payable on the Outstanding Bonds within the next ensuing six months and (ii) one-twelfth of the yearly Bond Obligation becoming due and payable on the Outstanding serial Bonds or of the amount becoming due on term Bonds within the next twelve months, provided that if Metropolitan irrevocably determines by resolution that any principal payments on the Bonds of any series shall be refunded on or prior to their due dates or paid from amounts on deposit in a reserve fund maintained for Bonds of that series, no amounts need to be set aside toward such principal.</p> <p><i>Fifth</i>, to the Excess Earnings Fund (or any such fund or account for other Bonds or Parity Obligations), the amount, if any, required in accordance with Metropolitan's tax and nonarbitrage certificate delivered in connection with the issuance of the Bonds (or any other Bonds or Parity Obligations).</p> <p><i>Sixth</i>, for transfer for any required transfer or deposit for the payment of any obligation of</p>			


WATER REVENUE BONDS

Item	Action	Responsible	Completion Date	Initials
	Metropolitan with a lien on, or payable from, Net Operating Revenues junior to the Bonds.			
Investments of Monies in Funds and Accounts	All monies in any of the funds and accounts established pursuant to the Resolutions shall be invested solely in investments in which Metropolitan may legally invest sums subject to its control. Subject to the provisions of the First Supplemental Resolution, obligations purchased by the investment of monies in the various funds and accounts established pursuant to the Resolutions shall be deemed at all times to be a part of such funds and accounts and any income realized from investment of amounts on deposit in any fund or account therein shall be credited to such fund or account. The Treasurer shall sell or present for redemption any investments whenever it may be necessary to do so in order to provide monies to meet required payments or transfers from such funds and accounts. For the purpose of determining at any given time the balance in any such funds, any such investments constituting a part of such funds and accounts shall be valued at the then estimated or appraised market value of such investments. Amounts in the Construction Fund may be temporarily invested and the proceeds thereof and interest thereon shall be applied exclusively to the purposes set forth in the Resolutions. Investments credited to the 1991 Reserve Fund shall be valued as of	Treasury and Debt Manager	<u>06/30/2024</u>	<u>SS</u>


WATER REVENUE BONDS

Item	Action	Responsible	Completion Date	Initials
INVESTMENTS OR MONIES IN Funds and Accounts (Continued)	June 30 of each year (or the next preceding or succeeding business day, as determined by Metropolitan, if June 30 is not a business day) at their fair market value.			
Information	Metropolitan will deliver, or make available, to the Bank under each Standby Bond Purchase Agreement copies of its annual report, audited annual financial statements, quarterly unaudited financial report, quarterly no-default certificate (if applicable) and other documents as described in section 6.1 of the Standby Bond Purchase Agreement.	Controller	<u>06/30/2024</u>	<u></u>
Amendments	The District will not amend, supplement, modify or waive any provisions of bond resolutions, the Paying Agent Agreement or any of the Related Documents, or consent to any of the foregoing, without the prior written consent of the Bank under the Standby Bond Purchase Agreement (if any); <i>provided, however</i> , the consent of the Bank will not be required for any amendment, supplement, modification or waiver of any of the foregoing documents which does not require the consent of the Owners unless such amendment, supplement, modification or waiver (a) affects the Bank's rights under such document or (b) affects any covenant of the District contained in Article VI of the Master Resolution. The District	Legal	<u>06/30/2024</u>	<u>PR</u>

WATER REVENUE BONDS

Item	Action	Responsible	Completion Date	Initials
Amendments (continued)	will give the Bank notice as promptly as practicable (but in no event less than ten (10) Business Days) of any proposed amendment, supplement, modification or waiver of any provision of the applicable bond resolution and of any meeting of the Board at which any of the foregoing will be discussed or considered.			
Taxes and Liabilities	The District will pay all the indebtedness and obligations of the Water System promptly and in accordance with its terms and pay and discharge, or cause to be paid and discharged, promptly all taxes, assessments and governmental charges or levies imposed upon it or upon its income, or upon any of its property, real, personal, or mixed, or upon any part thereof, before the same shall become in default, except for those matters which are being contested in good faith by appropriate action or proceedings or for which the District has established adequate reserves in accordance with accounting principles of the Government Accounting Standards Board applied on a consistent basis.	Controller	<u>06/30/2024</u>	<u></u>
		Treasury and Debt Manager	<u>06/30/2024</u>	<u>SS</u>

WATER REVENUE BONDS

Item	Action	Responsible	Completion Date	Initials
Paying Agent; Remarketing Agent	The District shall not substitute or replace the Paying Agent or the Remarketing Agent unless the District shall have received the prior written approval of the applicable Bank with respect to a successor or replacement for such Person, which approval shall not be unreasonably withheld.	Treasury and Debt Manager	<u>06/30/2024</u>	<u>SS</u>
Sale or Encumbrance of System	The District will not sell, dispose of or, except as permitted under the applicable Standby Bond Purchase Agreement, under the applicable Paying Agent Agreement or under the Resolutions, create any lien, security interest or other encumbrance on the Water System or on any of its Operating Revenues; <i>provided, however, that this provision shall not prevent the District from disposing of any portion of the Water System which is being replaced or is deemed by the District to be obsolete, worn out, surplus or no longer needed for the proper operation of the System. Net proceeds from any such disposition shall be used only for such purposes provided in the Resolutions. Any agreement pursuant to which the District contracts with a person, corporation, municipal corporation or political subdivision to operate the Water System or to lease and/or operate all or part of the Water System shall not be considered as an encumbrance of the Water System.</i>	Controller	<u>06/30/2024</u>	<u></u>
		Legal	<u>06/30/2024</u>	<u>PR</u>

COMMERCIAL PAPER

Item	Action	Responsible	Completion Date	Initials
COMMERCIAL PAPER				
Punctual Payment	Metropolitan will duly and punctually pay principal and interest on every Note, and payments into and transfers to the Commercial Paper Note Payment Fund will be made in strict conformity with the terms of the Notes and the commercial paper resolution.	Treasury and Debt Manager	<u>NA</u>	<u>SS</u>
		Controller	<u>NA</u>	<u><i>Pat</i></u>
Records and Accounts	Metropolitan shall keep proper books of record and account, and cause its books and accounts to be audited annually by an independent CPA.	Controller	<u>NA</u>	<u><i>Pat</i></u>
		Auditor	<u>NA</u>	<u>SS</u>
Rates	Metropolitan will prescribe, revise and collect such rates and charges for the services, facilities, availability and water of the Water System which shall provide Operating Revenues at least sufficient to pay:	Revenue and Budget Manager	<u>NA</u>	<u>Au</u>
	1. Operation and Maintenance Expenses;			
	2. Principal, accreted value, interest and required deposits into reserve funds or accounts for the Prior Lien Obligations (including Prior Lien Bonds and Water Revenue Bonds);			
	3. Principal of and interest on the Notes and amounts due to a Bank under the Liquidity Facility, when due;			
	4. Any other obligations payable from Net Operating Revenues, expressly including amounts under the State Water Contract which			

COMMERCIAL PAPER


Item	Action	Responsible	Completion Date	Initials
	do not constitute Operation and Maintenance Expenses.			
No Maturity to Exceed Term of Liquidity Facility	Metropolitan shall not issue any Commercial Paper Note with a maturity date after the scheduled expiration date of a Liquidity Facility, without prior confirmation from the Rating Agencies that such action shall not adversely affect the rating on the Notes.	Treasury and Debt Manager	<u>NA</u>	<u>SS</u>
Tax Exemption	Metropolitan will comply with applicable requirements of Section 103 and Sections 141 through 150 of the IRC and covenants in the Tax and Nonarbitrage Certificate.	Legal	<u>NA</u>	<u>PR</u>
Information	Metropolitan will deliver to the Bank copies of its annual report, audited annual financial statements, quarterly unaudited financial reports, quarterly Certificate of an Authorized Representative and other documents described in §5.01 of the Revolving Credit Agreement.	Treasury and Debt Manager	<u>NA</u>	<u>SS</u>
No Amendments	Metropolitan will not amend the Commercial Paper Resolution or Related Documents without the prior written consent of the Bank.	Legal	<u>NA</u>	<u>PR</u>
Proceeds of Loans	Metropolitan will use the proceeds of Revolving Loans only to pay Series B Notes and the proceeds of Term Loans only to refinance Revolving Loans. Metropolitan will not use the proceeds of any Loan to pay any Series A Note or for any other unauthorized purpose.	Treasury and Debt Manager	<u>NA</u>	<u>SS</u>
		Controller	<u>NA</u>	<u><i>PR</i></u>

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COMMERCIAL PAPER

Item	Action	Responsible	Completion Date	Initials
Investments	Metropolitan shall not borrow money solely for the purpose of investment in an amount at any time greater than 20% of its unleveraged investment portfolio; maintain any of its portfolio in a pool of investments managed by another person whose investment practices would result in indirect violation of the above covenant; or invest in any derivative or investment with a derivative embedded in it, except to the extent all such investments do not exceed 20% of its unleveraged investment portfolio.	Treasury and Debt Manager	<u>NA</u>	<u>SS</u>
Issuing and Paying Agent and Dealers	Metropolitan shall not substitute or replace the Issuing and Paying Agent or any Dealer without the prior written approval of the Bank as to the successor or replacement.	Legal	<u>NA</u>	<u>PR</u>

SHORT-TERM CERTIFICATES

Item	Action	Responsible	Completion Date	Initials
SHORT-TERM CERTIFICATES				
Establishment and Application of Funds and Accounts	The District shall establish, and the Treasurer of the District shall maintain, such funds and/or accounts with respect to the Certificates, Credit Facilities and Trust Agreements as may be required pursuant to the terms of such Certificates, Credit Facilities and Trust Agreements	Treasury and Debt Manager	<u>06/30/2024</u>	<u>SS</u>
		Controller	<u>06/30/2024</u>	<u></u>