



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT

(2/16/16) Board Meeting- Item 3
Reduced Interest Rate for Recycled Water Projects
Deadline: 2/11/16 by 12:00 noon

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February 11, 2016

Via Email: commentletters@waterboards.ca.gov

Felicia Marcus, Chair
and Members of the State Water Resources Control Board
State Water Resources Control Board
1001 I Street
Sacramento, CA 95814

SUBJECT: *Resolution to Amend and Clarify the Reduced Interest Rate Incentive for Recycled Water Projects Funded Through the CWSRF*

Dear Chair Marcus and Members of the Board:

On behalf of the Inland Empire Utilities Agency, I am writing to express our Agency's strong support for the proposed resolution to rescind the \$800 million cap on the one percent (1%) financing for recycled water projects.

We believe that your decision to offer an incentive program in this drought to encourage implementation of near-term recycled water projects through the use of extremely low interest (1%) loan funding was brilliant. The statewide response that you have received in the number of applications (over \$1 billion in funding) and the amount of "wet" water that is projected to be developed (over 150,000 AFY) underscores the tremendous value of your program. Thank you.

Of course, we were disappointed to see that IEUA's completed applications, submitted by the December 2nd deadline, were not included on the Appendix A list of projects recommended to receive the 1% funding. We understand that the Board staff had to review the CEQA component for all applications in order to determine which ones were complete for the purposes of qualifying for the 1% funding. From the feedback we have received since December 2nd, your staff found that IEUA's CEQA packages were complete or substantially complete and only needed minor CEQA adjustments for the applications to be deemed complete (see the attached summary).

Since IEUA's projects will be shovel ready as of March, we urge that the Board consider allowing projects like ours to qualify for the 1% funding *by substitution* if the approved projects are unable to obtain a final contract. The current staff recommendation to the Board is that substitution *not* be allowed.

Water Smart – Thinking in Terms of Tomorrow

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Michael E. Camacho
Vice President

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Secretary/Treasurer

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Director

Jasmin A. Hall
Director

P. Joseph Grindstaff
General Manager

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In the meantime, IEUA intends to seek Prop1 construction grant funding as quickly as possible so that we can start construction and complete these projects by 2018 as currently planned. We agree with Governor Brown and your Board that one of the most important actions that we can take to address the current drought emergency is to maximize our use of recycled water.

Thank you again for all of your good work and that of your staff to advance water recycling and to provide the financial incentives needed to help develop these supplies. Please let me know if you have any questions about our projects.

Sincerely,


P. Joseph Grindstaff
General Manager

Attachment:

CWSRF Project #	Project Name	Project Cost	CEQA Status	AFY
8105-110	2015 Drought Relief-Napa Lateral	\$ 5,824,770	Deemed complete by SWRCB staff on 12/16/2015	500
8105-120	2015 Drought Relief-San Sevaine Basin Improvements	\$ 7,525,603	The SWRCB staff required that IEUA Board approve the MND. It has been scheduled for the February 17, 2016 Board meeting.	1,500
8105-130	2015 Drought Relief-RP-1158 Recycled Water Pump Station Upgrades	\$ 4,659,816	Deemed complete by SWRCB staff on 12/29/2015	2,361
8105-140	2015 Drought Relief-RP-5 Recycled Water Pipeline Bottleneck	\$ 1,514,440	Deemed complete by SWRCB staff on 12/29/2015	-
8105-150	2015 Drought Relief-Recycled Water Pressure Sustaining Valve Installation	\$ 990,211	Deemed complete by SWRCB on 12/31/2015	-
8105-160	2015 Drought Relief-RP-1 Parallel Outfall Pipeline	\$ 6,640,238	Deemed complete by SWRCB staff on 12/29/2015	500
8105-170	2015 Drought Relief-Baseline Extension Project	\$ 4,077,339	The SWRCB required a new CEQA Addendum. It has been scheduled for the February 17, 2016.	105
8105-180	2015 Drought Relief-City of Ontario Euclid/ Riverside Recycled Water Pipeline Project	\$ 22,639,081	The SWRCB required a cultural report. This will be submitted by February 12, 2016	476
8105	2015 Drought Relief Recycled Water Distribution System Optimization	\$ 53,871,500		5,442

CWSRF Project #	Project Name	Project Cost	CEQA Status	AFY
8167-110	Joint IEUA - JCSD Regional Water Recycling Program	\$ 52,460,000	A complete CEQA package was submitted to SWRCB by 12/2/2015. On 1/19/2016 the SWRCB staff required additional information such as depicting the cultural resources identified from the Records Search that are near the pipeline construction area. IEUA will provide this information by February 22, 2016. On 1/29/2016 the SWRCB staff requested a resolution in addition to the JCSD resolution originally submitted. It has been scheduled for the 2/17/2017 Chino Basin Regional Financing Authority's Commission meeting.	3,000

CWSRF Project #	Project Name	Project Cost	CEQA Status	AFY
8170-110	Pomona, Monte Vista Water District & Inland Empire Utilities Agency Recycled Water Intertie Project	\$ 51,896,000	A complete CEQA package was not submitted	1,100
	Total	\$ 158,227,500		9,542