

ENGINEERING COMMITTEE NOTES

July 6, 2021

Attendees:

Committee members: Randal Reed (Chair) and Kevin Kenley

Staff members: John Bosler, Eduardo Espinoza, Chad Brantley, Rob Hills, Tuan Truong, Eric Grubb, Gidti Ludesirishoti, Taya Victorino, Jeff Ferre (BB&K/legal counsel)

Members of the Public: Carlos Rodriguez, Jeff Davis

Call to Order: 5:01 p.m.

Public Comment: None.

Additions/Deletions to Agenda: None.

Introductory Remarks by Committee Chair Reed

Chair Reed announced for the record that this meeting was conducted by teleconference pursuant to the Brown Act waivers provided for under the Governor's executive Orders in response to the COVID-19 State of Emergency. Further, the agenda stated that there was no public location for attending this meeting in person. The agenda stated that the public may listen and provide comment telephonically by calling the number listed on the agenda. Chair Reed took a roll call of Committee members and staff present on the call as listed above.

I. Water System Capital Capacity Fee Study

- Staff presented a revised version of the study.
- The second draft of this study includes a revision to future capital improvement cost calculations and allocations to future customers. The revision reduces the total amount of new projects attributable to future customers by \$2.7 million.
- A miscellaneous fee study was also conducted by internal staff to support adjustments to fees associated with voluntary actions on the part of customers that include willful damage to District property and after-hours service. The adjustment to these smaller fees will be included in the process of updating the Capacity Fees.
- The Committee reviewed the Capital Capacity Fee Study and provided comments.

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2. Chino Basin Program MOU

- Staff presented an update on the Chino Basin Program (CBP) notifying the committee that some agencies have or plan to rescind their Memorandum of Understanding (MOU) with the Inland Empire Utilities Agency (IEUA) for participation in the CBP.
- As it was originally conceived and presented in 2019, CVWD and others observed major flaws and concerns with the CBP and provided such comments over time.
- However, since earlier this calendar year IEUA staff has presented significant changes and progress to the CBP that may address previous concerns and are driving the project in a positive direction. The most notable changes are as follows:
 - Metropolitan Water District (MWD) performs release of water up north for environmental purpose for the state. IEUA and the region will have separate performance criteria with MWD.
 - No compensation to MWD for imported water not delivered or “lost sales.”
 - Department of Water Resources (DWR) recognizes carriage losses through the Bay Delta, reducing performance by 20% from 375,000 AF to 300,000 AF, which translates directly into a higher value for the water.
 - Regional performance mostly or entirely in-lieu. In other words, no export of local native water. Minor or no pump back facilities to the MWD system are being considered. IEUA is still negotiating this feature. Compared to the original concept for a larger pump back facility, this change reduces capital and operating costs significantly. In-lieu performance keeps local supplies in the region.
 - Does not affect region and CVWD’s imported water baselines.
 - Minimizes unnecessary discharges of recycled water to the Santa Ana River. About 9,000 AFY of recycled water that is currently lost to the river because of seasonal and operational challenges would be captured for beneficial use. CVWD would be a primary beneficiary as we currently cannot take full benefit of our entitlement to recycled water. We also recognize the value of this water plays a factor into the overall value project.
- As the CBP appears to be changing fundamentally from the original concept, staff recognizes the changes are driving the value and benefit in a better direction. Another benefit that CVWD recognizes is the project has the potential to improve resilience against imported water disruptions in the future like the Rialto Feeder shutdown, natural disasters, State water project shortages, and other scenarios. Additionally, the project could provide a cost competitive alternative in the future compared to the rising cost imported water.
- CVWD staff presented two options to the committee to address the CBP MOU with IEUA:
 - Option 1: Continue participation in the CBP MOU under certain conditions. Staff proposes to submit conditions to IEUA by which CVWD would continue participation in developing the CBP; otherwise, we would conclude our participation. Conditions, related to the fundamental changes

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referenced in this report, are still being refined and will be presented at upcoming committees and Board Meeting.

- Option 2: Notify IEUA that CVWD is concluding participation in the CBP MOU.
- The Committee expressed a preference to not export local water; concerns over the state's influence in local water supplies through this agreement; and concerns that cost of the project might still be too high.
- The Committee supported pursuing option 1 to continue working with IEUA to refine the project; understand benefits and costs to the region and rate payers; and continue addressing these concerns.

3. Nitrate Treatment Plant Update

- Staff provided a verbal update on the latest Nitrate Treatment Facility (NTF) progress. The NTF was in an offline mode since December 2020 awaiting replacement media. On June 11, 2021, the NTF received delivery of replacement media for its' Reactor A.
- Microvi loaded the media into Reactor A and began acclimation on the week of June 14, 2021. District staff, Microvi, and WesTech have been operating the NTF's Reactor A in forward flow to storm drain.
 - Thus far, the new media is performing better than the media loaded last year. Staff anticipates the new media can reach steady state and performance criteria for Reactor A in the next month.
 - If Reactor A meets the performance criteria, the next steps would be to negotiate the replacement of the remaining two reactors. The project team would also prepare for demonstration testing with the Division of Drinking Water (DDW).
 - Staff expects the entire process to receiving a drinking water permit for the full capacity of the NTF to be completed by the end of 2022. The NTF will need a few months to obtain additional replacement media and acclimate all reactors before being ready for demonstration testing. The time to perform demonstration testing, prepare/submit the final report, and receive the report is expected to be a 5-6 month process on its own.
- The District received an extension to its Prop 1. Agreement with the State. The State extended the agreement to February 2023, which allows the District additional time to meet the obligations of the grant.
- The water discharged to storm drain has also been approved by Chino Basin Water Master (CBWM) to be recaptured as supplemental recharge. The water is discharged from the NTF to Cucamonga Creek and diverted to Turner Basin. This has been a question on social media by passersby who have noticed the water being discharged. Staff has updated our website and social media to inform that public that water is being recaptured and not being wasted.
- This was in informational item only. There was no action by the committee.

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4. Closed Session

Closed Session was called to order at 5:42 p.m.

In attendance were the Committee Members, John Bosler, Jeff Ferre, Eduardo Espinoza, Chad Brantley, Rob Hills, and Taya Victorino.

a. CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Government Code Section 54956.9

One potential case

5. Reconvene/Report on Closed Session

The regular meeting reconvened at 6:13 p.m. at which time Chair Reed announced there was no action to report from closed session.

Meeting Adjourned at 6:13 p.m.