



September 22, 2022

Steven Elie, President Inland  
Empire Utilities Agency 6075  
Kimball Avenue  
Chino, CA 91708

**RE: Response to your September 7 Email regarding Chino Basin Project**

Dear Steve,

Monte Vista Water District Board President Sandra Rose, and I, submit this joint letter responding to your email of September 7, 2022.

Thank you for your e-mail response to questions in the City of Montclair's (City) letter from October 2021. Together, we found your letter and previous IEUA-sponsored workshops and PowerPoint presentations helpful, adding to our understanding and knowledge of the Chino Basin Program (CBP), particularly as it continues to evolve.

As previously stated by the City, we were disappointed with the lack of usable information and focused engagement at the Inland Empire Utilities Agency's (IEUA) August workshop in Chino Hills. In contrast, last week, we attended a workshop at the Ontario Convention Center that presented significantly more information than received through IEUA-sponsored formats, and provided opportunities for discussion and the exchange of ideas.

Based on present terms and conditions, we regret that the current CBP configuration does not provide favorable opportunity for the City and Monte Vista Water District (District) to participate in the CBP. We do, however, remain open to participation if IEUA provides more favorable terms. As current non-participants, we have the following concerns and questions:

1. What are the CBP's financial impacts on non-participating agency ratepayers, and more specifically on wastewater, water, and recycled water rates?
  - a. Your e-mail states that IEUA does not yet know either the timing for, or the amount of recycled water that will require, advanced treatment for regulatory compliance; nonetheless, it is imperative that IEUA start its planning. Your email also references and provides a copy of Carollo's draft October 2021 Rate Study, justifying the \$4.75/EDU at 9,000 AFY for the Advanced Treatment Plan. Is IEUA conducting a separate study or studies to clarify and ensure that non-participating agency ratepayers will not be burdened with paying for more than what is required to achieve regulatory compliance?

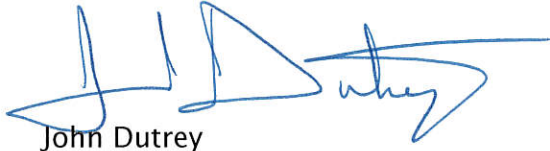
- b. Your e-mail makes clear that the CBP contains provisions that will allow participating agencies to access their respective recycled water supplies, for which they have paid. However, the Carollo Rate Study (Carollo) does not identify CBP participants paying IEUA's recycled water rate, which is how the recycled water system is funded. We must ask, therefore, as to the intent of IEUA: Is it to assess the recycled water rate, or follow the recommendation of Carollo? If the intent is to follow Carollo, then what is the basis for waiving the IEUA recycled water rate, and what would be the impact to existing recycled water ratepayers?
2. What other means will IEUA employ or implement to ensure that non-participating agency ratepayers will not be adversely impacted in terms of cost and water resource availability? Will IEUA and non-participating agencies enter into agreements to guarantee the controlled maintenance of recycled water rates and availability of recycled water resources?
3. Has IEUA completed a study to justify the 9,000 AFY for the Advanced Treatment Plan compliance? The financial analysis in Carollo makes the assumption that 9,000 AFY of advanced treatment is needed for wastewater compliance, but does not provide the technical determination or justification to support this level of treatment. Has a recent study been conducted that supports this technical determination and, if so, does the study demonstrate that 3,000 AFY or 6,000 AFY will not meet the Advanced Treatment Plan compliance?
4. The CBP continues to be an evolving project that lacks crucial disseminable and clarifying information and adequate objective analysis, and poses numerous unanswered questions about the project and its various impacts. To improve information and knowledge of the CBP, we ask that IEUA consider developing a business plan document available for public viewing, and that IEUA create an internet-based project continuum diagram that is regularly updated to reflect changes to the CBP as they occur.
5. The City of Ontario proposes a separate advanced treatment plan (Ontario Program) which the District and City, and perhaps other non-participating agencies, may consider as a viable alternative treatment program. The Ontario Program is preliminary, but promotes alternative treatment scenarios that can conceivably work in conjunction with the CBP. Will IEUA consider working with Ontario to study the feasibility of the Ontario Program, and how it can integrate with the CBP to provide broader mutual benefit for all Chino Basin stakeholders?

As stated in your e-mail, our region needs to seek solutions to respond to current and continuing mega-drought conditions in the southwest. Recycling wastewater into the Chino Basin represents a source for renewed potable water that can be reasonably accomplished independent of existing CBP agreements with the State and their associated performance obligations.

As much as we respect IEUA's pursuit of the CBP, we trust IEUA understands the position of the City and District as it relates to recycling local wastewater to produce renewed potable water and to ensure CBP does not unfairly impact our mutual water and wastewater ratepayers.

Thank you again for your e-mail response and we look forward to IEUA's reply.

Sincerely,



John Dutrey  
Mayor, City of Montclair



Sandra Rose  
President, Monte Vista Water District

- c Montclair City Council Members
- Monte Vista Water District Board Members
- IEUA Board Members
- Regional Sewerage Program Policy Committee Members
- Montclair City Manager Edward Starr
- MVWD General Manager Justin Scott-Coe
- IEUA General Manager Shivaji Deshmukh