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**Inland Empire Utilities Agency
Testimony on The Chino Basin Program
April 2, 2019**

Chairman Huffman, Ranking Member McClintock and members of the Subcommittee, my name is Steve Elie, and I serve as a Board member for the Inland Empire Utilities Agency (IEUA). Thank you for allowing me to submit written testimony for the record regarding your hearing on April 2, 2019, on the state of water infrastructure and innovation in the western United States. IEUA greatly appreciates your Committee and the entire Congress's continuing efforts to ensure that water infrastructure is appropriately funded, water projects have the ability to be authorized, and we can continue to meet the current and future needs of our constituents during these challenging times.

IEUA is a regional wholesale distributor of imported water and a regional wastewater treatment agency serving approximately 875,000 people over 242 square miles in western San Bernardino County, California, 40 miles east of Los Angeles. IEUA prides itself on staying in the forefront of the water industry through innovation, efficiency, education, and creativity. We would not be able to innovate and create new water supplies the way we do without the commitment Congress has made to helping California and the West address the extreme, erratic weather we have faced. Prior federal funding has been used to leverage additional state and local resources for the greater good. For that support, we and by extension, our constituent ratepayers, are extremely thankful.

As California moves away from the era of building dams and surface reservoirs and looks toward solving current and future water infrastructure needs, IEUA didn't have to look further than our own backyard for a solution. IEUA's service area covers almost the entirety of the Chino Groundwater Basin (Chino Basin), one of the largest in southern California with a capacity of 6 million acre-feet. For visualization, that is enough water to cover the state of New Hampshire a foot deep. In order to meet regional needs, and working with regional partners, IEUA has created a first-of-its-kind water program that moves beyond traditional water management practices to achieve new levels of water security, flexibility and affordability.

The Chino Basin Program (CBP) aligns with regional planning efforts and is a unique opportunity to create a new, drought resistant, purified water source to optimize local water supplies and provide new and unprecedented levels of inter-Basin water management without increasing dependence on State Water Project water. Over the last 20 years, the population in our area has grown by 30 percent with a 20 percent increase in urban water demand. Climate change, and longer, more frequent drought conditions are expected to drive unmet water demands up by an additional 20 percent by 2040. The timing of the CBP is essential for the Chino Basin and the state of California and will give our region the ability to deliver already identified needed water system improvements, earlier and at a lower cost, and secure access to water supplies for the future.

Water Smart - Thinking in Terms of Tomorrow

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Director

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General Manager

The design of the CBP will also provide environmental benefits more than 500 miles away in northern California. The Chino Basin Program will provide locally stored and treated groundwater to a State Water Contractor to facilitate a water exchange at Oroville. When needed during dry and critically dry years, the State could request the water exchange of pulse flows of water from Oroville Reservoir to the Feather River in northern California to support the Bay Delta ecosystem and provide water to benefit native ecosystems and species, such as the Chinook salmon.

Innovative programs with multiple benefits such as the CBP are expensive and construction costs are expected to be approximately \$385 million. IEUA has already received a conditional funding award of \$206.9 million from the California Water Commission's Proposition 1 Water Storage Investment Program, but additional funds will be needed through grants or state revolving fund loans to ensure the projects are able to be built.

We urge the Committee to continue to support water infrastructure funding programs, including Title XVI and the WIIN Section 4007 water storage program. IEUA has a long history of successful partnerships with federal agencies under Title XVI grants and other funding resources. We have an outstanding and, perhaps, unparalleled record of completing projects on time and on budget per the agreements. Significantly, the Agency has also been able to utilize the federally-funded state revolving fund loans to provide low-cost financing for our projects. While we do not rely exclusively on federal contributions and the federal share is relatively smaller than matches for our projects, federal involvement and support is critical to acquiring additional financing. Indeed, as IEUA invests in water infrastructure, the bond market views the federal investment as a key risk reduction component. As a result, we are able to obtain slightly better borrowing rates, stretching our infrastructure dollars and prudently managing costs for ratepayers and the region.

Again, thank you for the opportunity to submit this testimony and for the Subcommittee's focus on the state of western water infrastructure and innovation. We look forward to working with you on creative ways to continue to build upon prior successes as these issues continue to evolve.

Respectfully,

A handwritten signature in black ink, appearing to read "S. J. Elie". The signature is fluid and cursive, with a large initial "S" and a distinct "J." followed by "Elie".

Steven J. Elie
Chair
Chino Basin Program Ad Hoc Committee