

Watershed
Connect



*Achieving resilience through
integrated infrastructure*

UPPER SANTA ANA RIVER WATERSHED INFRASTRUCTURE FINANCING
AUTHORITY

Program Need

For many years, the San Bernardino Valley has been challenged by prolonged drought, increased wildfires, and climate uncertainty. In response, the region, which relies heavily on imported water, is investing in collaborative strategies to diversify its water supply portfolio, recharge its groundwater basins, restore critical habitat and secure a sustainable water future.

The Upper SAR Watershed, spanning over 850 square miles in San Bernardino and Riverside Counties in southern California, is a highly connected system of surface water, groundwater, and rich habitat that the region depends on for its local water supply.



Program Description

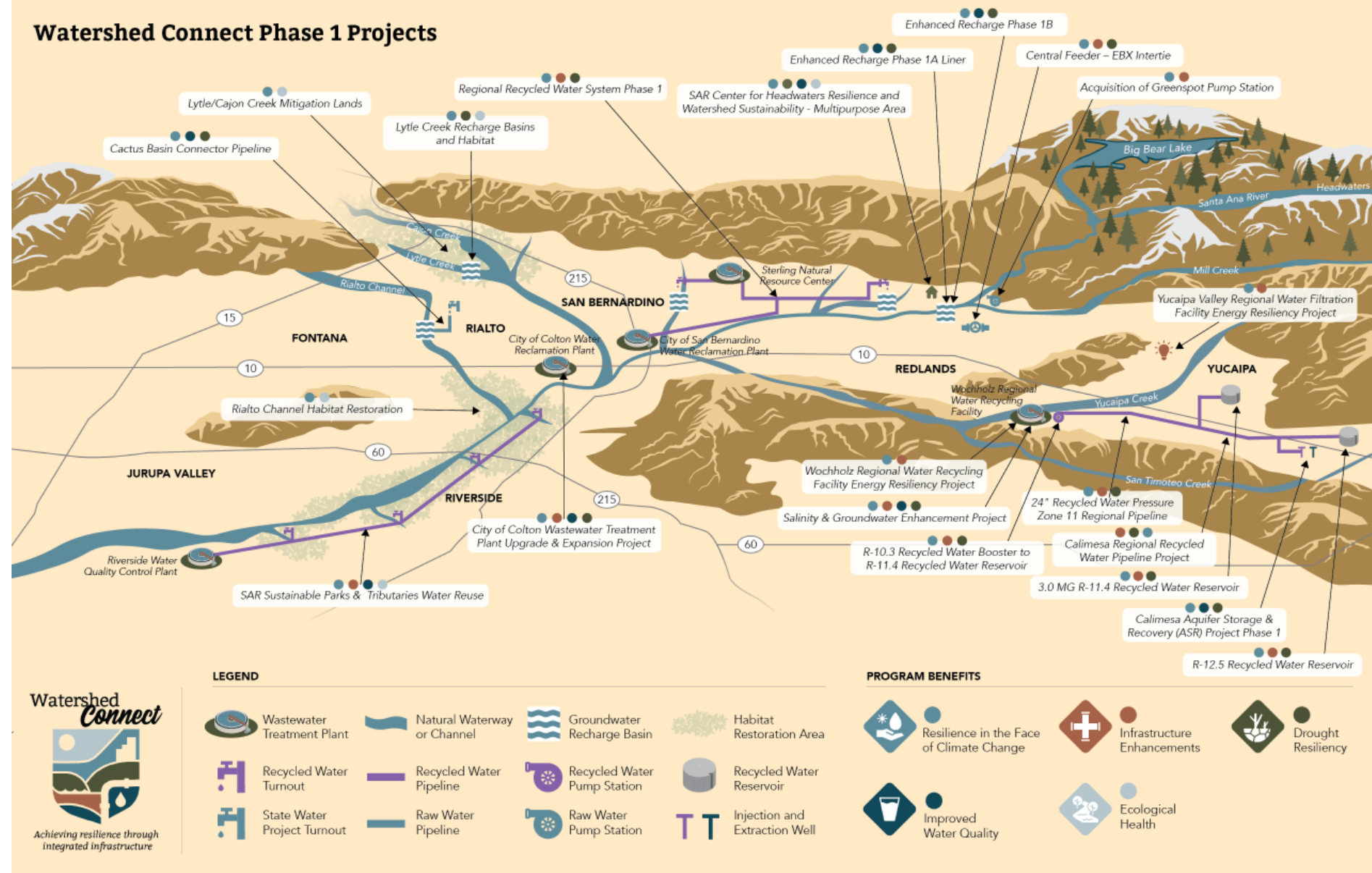
WATERSHED CONNECT is a **regional infrastructure program**, a network of forward-looking projects designed to achieve water supply reliability, climate resilience, and long-term ecological health of the Upper Santa Ana River (Upper SAR) Watershed.

WATERSHED CONNECT is a **multiphase program** comprised of interconnected water capture, recharge, storage, treatment, and conveyance projects. This comprehensive package of infrastructure projects are expected to collectively maximize the use and reuse of local water resources, while attaining a healthy, functional river ecosystem that supports 22 federally and state-protected species

WATERSHED CONNECT innovative approach is expected to maximize program value and offers synergistic benefits to the watershed and its people.

WATERSHED CONNECT's purpose is **to achieve regional water supply security**, resilience to extended drought and the effects of climate change and holistically enhance the health of the Upper SAR Watershed.

Watershed Connect Phase 1 Projects



SYNERGY: the interaction or cooperation of two or more organizations, elements, or other agents to produce a combined effect greater than the sum of their separate effects

Phase 1 Projects

Project Name	Lead Agency		
Acquisition of Greenspot Pump Station	San Bernardino Valley Municipal Water District	\$	14,000,000
Central Feeder - EBX Intertie	San Bernardino Valley Municipal Water District	\$	2,327,000
Lytle Creek-Cajon Creek Mitigation Lands	San Bernardino Valley Municipal Water District	\$	11,590,000
Cactus Basin Connector Pipeline	San Bernardino Valley Municipal Water District	\$	2,211,000
Regional Recycled Water System Phase 1	San Bernardino Valley Municipal Water District	\$	53,073,000
Enhance Recharge Phase 1B	San Bernardino Valley Municipal Water District	\$	65,583,000
Enhance Recharge Phase 1A Liner	San Bernardino Valley Municipal Water District	\$	970,000
Headwaters Resiliency Multipurpose Area	San Bernardino Valley Municipal Water District	\$	32,500,000
SAR Sustainable Parks and Tributaries Water Reuse	San Bernardino Valley Municipal Water District	\$	27,745,675
Active Recharge - Highland Hills Land Acquisition	San Bernardino Valley Municipal Water District	\$	7,247,000
HCP Tributaries Restoration	San Bernardino Valley Municipal Water District	\$	14,294,000
Calimesa Aquifer Storage and Recovery Project Phase 1	Yucaipa Valley Water District	\$	12,114,925
Calimesa Aquifer Storage and Recovery Project Phase 2	Yucaipa Valley Water District	\$	4,337,448
Calimesa Regional Recycled Water Pipeline Project	Yucaipa Valley Water District	\$	5,665,383
R-12.5 Recycled Water Reservoirs	Yucaipa Valley Water District	\$	4,752,500
Wochholz Regional Water Recycling Facility Energy Resiliency Project	Yucaipa Valley Water District	\$	29,967,497
Yucaipa Valley Regional Water Filtration Facility Energy Resiliency Project	Yucaipa Valley Water District	\$	16,298,861
Salinity and Groundwater Enhancement Project	Yucaipa Valley Water District	\$	34,149,320
Salinity Concentration Reduction and Minimization System	Yucaipa Valley Water District	\$	9,501,283
3.0 MG R-11.4 Recycled Water Reservoir	Yucaipa Valley Water District	\$	10,864,424
R-10.3 Recycled Water Booster to R-11.4 Recycled Water Reservoir	Yucaipa Valley Water District	\$	1,748,520
24-inch Recycled Water Pressure Zone 11 Regional Pipeline	Yucaipa Valley Water District	\$	9,370,560
Recycled Water Reservoir R-7.2 at the Resource Ranch	Yucaipa Valley Water District	\$	7,664,800
North Bench Recycled Water Project	Yucaipa Valley Water District	\$	21,982,020
Calimesa Lake Project	Yucaipa Valley Water District	\$	10,001,380
Wochholz Regional Water Recycling Facility - SCADA Upgrades	Yucaipa Valley Water District	\$	1,892,576
Yucaipa Valley Regional Water Filtration Facility - SCADA Upgrades	Yucaipa Valley Water District	\$	2,830,000
Oak Valley Sewer Lift Station, Force Mainlines and Gravity System Improvements	Yucaipa Valley Water District	\$	27,710,060

Bolded projects are expected to be funded with WIFIA Proceeds.

Valley District Phase 1 Total	\$	231,540,675
YVWD Phase 1 Total	\$	210,851,557
Phase 1 Total	\$	442,157,232

Plan of Finance

- **The Authority expects to submit its WIFIA application by the end of May 2022**
- Combined WIFIA Loan \$191.5 million for Phase 1 (28 projects)
- Valley District's eleven projects are expected to cost ~\$231.5M
 - \$91.6M from WIFIA loan (Valley and Riverside Public Utilities)
 - \$139.9M from cash and grants (Western, cash reserves, BOR)
- YVWD's seventeen projects are estimated to cost ~\$210.8M
 - \$99.9M from WIFIA Loan
 - \$110.9M from bonds, cash and outside funding sources
- EPA has 35-year payback term with deferred payment and interest for 5 years after project completion, estimated interest rate of 3%

Joint Powers Agreement

- Agreement was entered into for purposes of assisting in the financing and potential refinancing of projects of the Members
- Members pay into JPA based on proportion of benefits received from program (loan)
- Installment Purchase Agreements (“IPA”) authorized by the Authority and Members will set forth rights and obligations of the Members and the Authority with respect to debt and will ensure compliance with provisions of any legal document related to such IPA
- Members own and operate their facilities/projects
- Any amendment to the JPA requires concurrence by all Members at that time
- The JPA is governed by one Director for each Member



Current USARWIFA Directors		
Paul Kielhold	Chair	Valley District
Lonni Granlund	Member	YVWD
Daniel Cozad	Member	Conservation District
Miguel Guerrero	Member	Municipal Utilities Department

Benefits



Resiliency in the face of climate change: The collection of forward-looking recycled water, stormwater capture, groundwater storage, alternative energy, and ecosystem restoration projects are expected to improve water supply security. Investments in alternative water supplies, emergency storage, and system redundancies enhance the regions' resilience to climate threats.



Drought Resiliency: The program's ambitious stormwater capture, groundwater recharge, and water reuse projects are expected to position the region to sustain short and long-term droughts.



Improved Water Quality: Advanced treatment upgrades are expected to improve regional water quality by reducing the amount of salt, nutrients, and emerging contaminants introduced to surface waters and groundwater basins. Proposed stormwater capture and treatments projects are expected to produce high-quality water for blending with groundwater supplies high in total dissolved solids.



Infrastructure Enhancements: Modernization of existing infrastructure combined with new conveyance systems are planned to create enhanced water resources. Upgrades, including pipeline protection initiatives and solar energy projects, are expected to reduce climate-related vulnerabilities and ensure reliable services during natural disasters.



Ecological Health: The proposed habitat mitigation and restoration initiatives are expected to enhance the health of the Upper SAR Watershed, supporting the region's urban, environmental, recreational, and economic needs.



QUESTIONS?