

John Bosler
Secretary/General Manager/CEO

March 12, 2025

California Water Commission
901 P Street, Suite 142A
Sacramento, CA 95814

Subject: Request for Reallocation of Los Vaqueros Expansion Funds and Proposition 4 Funds for Proposition 1 Water Storage Investment Program (WSIP) Projects

Dear Chair and Commissioners:

The Cucamonga Valley Water District (CVWD) urges the California Water Commission (Commission) to allocate available funds including remaining Los Vaqueros Expansion funds, totaling approximately \$453.7 million and \$75 million from Proposition 4 to address the severe inflationary pressures impacting the existing WSIP projects.

The Commission's economic consultants estimated a greater than 50% inflation rate for large infrastructure projects since the WSIP Maximum Conditional Eligibility Determinations (MCEDs) were calculated on the basis of 2015 dollars. As costs have increased, the financial burden on CVWD, as a local agency partner, to implement the Chino Basin Program (CBP) has grown disproportionately, and funding for the project has not kept pace with the increasing value of public benefits. An additional allocation of \$53.9 million now, as presented by Commission staff as Option A at the February 19, 2025, Commission meeting, could help to expedite negotiations CVWD to ensure commitment. As a result, the CBP could benefit greatly from the expeditious allocation of additional funds.

CVWD believes that proportional allocation of the available funds to the existing WSIP projects is in the best interest of the State, as well as the most effective pathway to realizing the public benefits envisioned in Proposition 1. Among other factors,

- The burden of additional staff costs to implement changes to WSIP is minimized through this approach.
- This reallocation can be achieved more expeditiously than other alternatives for allocation of the funds, allowing the Commission, staff, and project proponents to focus on bringing the existing WSIP projects to fruition.

- The CBP has made significant progress in planning, preliminary design, permitting, and developing necessary agreements, and will be well poised to leverage the additional funding in order to maintain the current project schedule.

Notably, this approach represents the will of California's voters. Proposition 4 explicitly states:

*"Priority for these funds **and any funds returned to the commission** shall be to support timely completion of existing approved projects by providing supplemental grants to reflect the increase in costs due to inflation since the original grant applications and any increase in public benefits." ([PRC Section 91015](#))*

CVWD appreciates your consideration of this request and your ongoing commitment to ensuring the success of WSIP projects.

Sincerely,



John Bosler, P.E.
General Manager/CEO