



FONTANA WATER COMPANY

A DIVISION OF SAN GABRIEL VALLEY WATER COMPANY

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August 14, 2025

California Water Commission
P.O. Box 942836
Sacramento, CA 94236-0001

Subject: Water Storage Investment Program: Consideration of Inflationary
Increase to Chino Basin Program

Dear Chair Steiner and Commissioners,

Fontana Water Company ("FWC") is providing this letter to express our firm support for the reallocation of Proposition 1 Water Storage Investment Program ("WSIP") funding to the Chino Basin Program ("CBP"). This additional funding will play a critical role in advancing CBP's implementation and delivering meaningful water supply benefits to the region.

The CBP represents a forward-thinking and collaborative approach to enhancing regional water security, addressing groundwater sustainability, and delivering positive benefits to FWC, retail agencies, local stakeholders, and the customers we serve. The conditional WSIP funding of \$215 million was awarded in recognition of the public benefits realized by the implementation of CBP including ecosystem benefits, water quality improvement, and the development and availability of emergency water supplies.

The WSIP funding will be invested in developing essential local infrastructure for the CBP including a 15 million gallon per day Advanced Water Purification Facility, aquifer replenishing wells to store 15,000 acre-feet of advanced treated recycled water annually, and extraction facilities to produce this stored water from the Chino Groundwater Basin. These facilities will reduce the use of imported water originating from northern California, which will instead be used to provide supplemental environmental flows, delivering 375,000 acre-feet in 25 years. Together, this new infrastructure will support the region's long-term local resiliency by increasing operational flexibility and reliability and provide the public benefits as required by WSIP.

As the Commission's staff have noted, construction costs for the WSIP projects have increased by over 50% since originally planned. As costs have increased, the financial burden on IEUA and its local agency partners to implement the CBP has grown disproportionately, and WSIP funding for the project has not kept pace with the increasing value of public benefits. An additional allocation of \$53.8 million to the CBP will help address the gap in funding and serve as a key factor in advancing ongoing negotiations with IEUA's local agency partners, to ensure their continued commitment to providing the state public benefits of the project.



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On behalf of FWC and IEUA, we urge the California Water Commission to support the reallocation of \$53.9 million of the WSIP funding to the CBP. This additional funding will be instrumental in advancing a critical project that will provide a forward-thinking and resilient regional water supply. We remain fully committed to advancing sustainable solutions that safeguard our shared water resources and meet the long-term needs of our communities. Thank you for your leadership and for continuing to support this essential investment in California's water future.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Martin E. Zvirbulis', with a long horizontal flourish extending to the right.

Martin E. Zvirbulis

Vice President – Water Resources

Fontana Water Company

MEZ:vh