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General Manager Lance Eckhart, PG, CHG

Legal Counsel
Jeffry Ferre

February 18, 2025





RE: SGPWA Policy Statement for the Delta Conveyance Project CPOD

Dear Presiding Hearing Officer Nicole Kuenzi,

My name is Lance Eckhart, and I serve as the General Manager of the San Gorgonio Pass Water Agency ("SGPWA"). I am writing to express our strong support for the Change in Point of Diversion ("CPOD") petition for the Delta Conveyance Project ("DCP").

Established in 1961, the SGPWA serves approximately 100,000 residents across a 225-square-mile region in Southern California, including several communities that are economically disadvantaged. A significant portion of the region's population faces economic challenges, particularly in areas such as Banning, Beaumont, Cabazon, and Calimesa, highlighting the importance of ensuring equitable access to reliable water resources for all residents.

In the 1960s, SGPWA contracted for 17,300 acre-feet of imported Table A water annually from the State Water Project ("SWP") through the Department of Water Resources ("DWR"). However, it took nearly four decades for the SWP infrastructure to reach our service area. By the time SGPWA gained access to the imported supply it was contractually entitled to, the expected water deliveries had been significantly reduced due to climate change and regulatory constraints. In fact, the annual allocation has been nearly cut in half, averaging just 9,200 acre-feet for SGPWA. Despite not receiving its full Table A allocation each year, SGPWA has made substantial investments in the SWP to secure a reliable water supply for our region.

Compounding these challenges, SWP water must travel more than 500 miles to reach our service area, placing SGPWA at the literal end of the line for the SWP. This geographic reality makes our region especially vulnerable to supply shortages, delivery constraints, and infrastructure limitations, further straining our ability to meet the long-term water needs of our communities. The ongoing reduction in available water has had a disproportionate impact on economically disadvantaged and severely disadvantaged populations, as well as local tribal communities, all of whom depend on a stable, affordable water supply for their health, livelihoods, and overall quality of life.

To compensate for this water deficit, the San Gorgonio Pass region has made significant investments in recycled water infrastructure, with many communities featuring dual-plumbed homes that have access to both potable and recycled water. Despite these efforts, the reduction in imported water remains a critical challenge. Additionally, our region is

heavily reliant on groundwater, making the availability of imported SWP water increasingly vital. Across California, the implementation of the Sustainable Groundwater Management Act ("SGMA") is shifting how groundwater is managed, requiring agencies to carefully balance extractions with long-term sustainability. At the same time, new unfunded regulatory mandates regarding hexavalent chromium will require either expensive water treatment or require blending with SWP water to maintain water quality standards. The DCP is a necessary investment to modernize the SWP, ensuring long-term water reliability and helping to mitigate the growing impacts of climate change and regulatory constraints on our region's water supply.

Access to clean, reliable water is a fundamental human right. The DCP will provide the following benefits:

1. Collaboration for the Common Good:

The project brings together State, environmental, agricultural, municipal, and industrial interests to maximize the use of water resources. Each State Water Contractor has unique advantages and challenges, and through collaboration, agencies are working together to ensure the most efficient and beneficial use of available water supplies. By strategically leveraging each other's assets, including storage, conveyance, and operational flexibility, the goal is to increase the overall efficiency of imported water and enhance regional resilience. The DCP plays a critical role in this system-wide approach, improving supply reliability not just for individual agencies but for all stakeholders from north of the Delta to Southern California.

2. Climate Change Response and Infrastructure Modernization:

Due to climate change, it is expected that more precipitation will fall as rain rather than snow, increasing peak flows during storm events and reducing the natural snowpack storage that has historically sustained California's water supply. Additionally, rising sea levels threaten to degrade the quality of exported water from the SWP. The existing SWP infrastructure is not equipped to fully capture excess flows during high-inflow events or safeguard exported water quality against sea level rise.

The DCP represents a responsible response to these climate change and regulatory realities by modernizing the SWP infrastructure, enhancing its ability to capture and store excess flows during wet periods, and improving SWP water quality resilience against rising sea levels. Without these critical upgrades, our ability to secure a reliable water supply for the future will remain increasingly vulnerable to changing hydrologic conditions and regulatory constraints.

3. Environmental and Economic Benefits:

The DCP supports California's Water Supply Strategy by improving water supply reliability, adapting to climate change, and reducing impacts to the Delta in an environmentally responsible manner. The project also provides economic benefits by supporting agricultural productivity and local economies, particularly in rural areas.

For SGPWA, the DCP is crucial for ensuring long-term water reliability for our service area, which includes economically disadvantaged and severely disadvantaged communities. The project offers several key benefits to our agency and the region:

 Improved Water Supply Reliability to Meet Regional Water Needs – The San Gorgonio Pass region requires a stable and reliable water supply to support existing and future water demands. SGPWA's current investment in the DCP is expected to nearly restore our full contractual 17,300 acre-feet of Table A water, which has been significantly reduced due to climate change and regulatory constraints. The DCP will enhance the consistency of SWP water deliveries, ensuring our ability to meet regional water needs while also providing additional flexibility in how we manage our groundwater resources. As regulatory and environmental factors continue to shape water management decisions statewide, a reliable imported supply is critical for maintaining long-term sustainability and resilience in our region.

- Mitigation of Water Quality Challenges As new unfunded regulatory mandates on hexavalent chromium treatment takes effect, the ability for SGPWA to blend imported SWP water with local groundwater will be critical to meeting drinking water standards in the San Gorgonio Pass region. Hexavalent chromium is present in one of our retail water agencies. The cost of the treatment is expected to be over \$60M to implement. This water retailer serves a disadvantaged community who would find this cost difficult to bear. Blending imported water with native groundwater supplies is another, much cheaper option. The DCP enhances our access to high-quality imported water, supporting compliance with evolving water quality regulations.
- Increased Resiliency Against Drought and Climate Change The San Gorgonio Pass region is highly vulnerable to prolonged drought conditions. With climate change making water availability less predictable, the DCP provides a critical infrastructure upgrade that will improve SWP resilience and enhance our ability to capture and store excess flows when available, particularly in wet years. As part of our long-term water management strategy, SGPWA actively invests in water harvesting by storing surplus SWP water in local groundwater basins during wet periods. This stored water can then be extracted during dry years, reducing our immediate need to import water from the Delta when supplies are constrained. By leveraging this conjunctive use approach, SGPWA can optimize water availability while decreasing reliance on Delta exports, ensuring that imported water is used strategically and efficiently. This proactive approach not only strengthens our regional water supply sustainability but also contributes to the overall resilience of the SWP system by easing demand on Delta exports when they are most strained.
- Economic Stability for Local Communities Water supply reliability directly impacts economic
 development and local businesses. Many industries in our service area, including logistics,
 healthcare, and small businesses, depend on a secure and affordable water supply. The DCP
 helps prevent water shortages that could stifle economic development, ensuring continued
 investment and job opportunities in the region.
- Protection of Disadvantaged Communities Several communities within our service area, including Banning, Beaumont, Cabazon, and Calimesa, are economically disadvantaged and depend on stable water supplies for public health and quality of life. Ensuring a reliable water source through the DCP supports environmental justice goals by preventing supply interruptions that could disproportionately impact vulnerable populations.

By modernizing California's water infrastructure, the DCP ensures that agencies like SGPWA can continue to serve their communities reliably and equitably, protecting both environmental resources and regional economic stability. Without this project, our ability to plan for future development,

comply with regulatory requirements, and maintain economic resilience will be severely compromised.

4. Food Security:

Ensuring that the State of California has a more reliable water supply is essential for maintaining agricultural productivity, which is the backbone of food security for both the State and the Nation. While the San Gorgonio Pass region itself does not have a significant agricultural sector, our residents rely on the food grown in other parts of California that depend on a stable water supply. Without the DCP, water shortages will continue to threaten agricultural production, jeopardizing food security and leading to reduced crop yields and higher food costs.

This impact is especially concerning for our region, as many of our residents are economically disadvantaged and already face financial challenges. Any increase in food prices caused by water shortages would disproportionately affect these vulnerable communities, making it even more difficult for families to afford fresh, healthy food. By providing a dependable water source for irrigation, the DCP helps protect the State's food supply, stabilize food prices, and mitigate economic burdens on disadvantaged populations, ensuring that all Californians, including those in our region, continue to have access to affordable, nutritious food.

5. Affordable Housing:

A reliable and affordable water supply is a critical component of California's housing strategy, ensuring that affordable housing remains financially feasible for both developers and residents. Imported water from the SWP plays a key role in maintaining housing affordability by stabilizing water costs, supporting responsible development, and allowing local water agencies to make long-term investments in infrastructure. Without projects like the DCP to modernize and secure imported water supplies, the cost of delivering water to communities will rise, further driving up housing costs across the state.

The San Gorgonio Pass region has undergone a slow transition from agriculture to urbanization, requiring significant investment in water infrastructure to support this shift. Unlike historical agricultural water use, urban development demands a more consistent and affordable water supply to sustain housing and economic development. As our region completes this transition, ensuring access to cost-effective and reliable imported water is essential for maintaining a sustainable housing supply.

For the San Gorgonio Pass region, affordability is especially critical. Many of our communities, including Banning, Beaumont, Cabazon, and Calimesa, are home to economically disadvantaged and severely disadvantaged populations that struggle with rising housing costs. Water availability directly impacts the feasibility of new housing developments, as developers must demonstrate long-term water supply reliability before projects can be approved. Without infrastructure modernization and access to affordable water sources, new housing development will be constrained, increasing costs and limiting options for low-income families.

By investing in critical water infrastructure like the DCP, SGPWA and other water agencies statewide can ensure that water remains affordable and accessible for housing development. Without this project, communities across California, especially in regions like the San Gorgonio Pass, will face increasing barriers to maintaining and expanding affordable housing, exacerbating economic

challenges for vulnerable populations. The DCP is a forward-thinking investment that not only strengthens water security but also supports long-term housing affordability and economic stability for the state.

The San Gorgonio Pass Water Agency firmly supports the DCP. It is an innovative and essential infrastructure project that addresses our region's and State's water supply challenges. By modernizing the SWP infrastructure, the DCP ensures that the State will have increased water supply reliability, enhanced environmental sustainability, enhanced economic resiliency, and bolstered food security. Additionally, it is a vital component of our climate change adaptation strategy.

We urge the State Water Resources Control Board to approve the Petition for Change in the Point of Diversion associated with the DCP. This project is a vital step towards securing California's sustainable and resilient water future.

Thank you for your consideration.

Sincerely,

Lance Eckhart General Manager