

TESTIMONY OF JEFF GRUBBE, CHAIRMAN OF THE AGUA CALIENTE BAND OF CAHUILLA INDIANS BEFORE THE COMMITTEE ON NATURAL RESOURCES, SUBCOMMITTEE ON WATER, WILDLIFE AND FISHERIES

*H.R. 5935, the Agua Caliente Band of Cahuilla Indians Water Rights Settlement Act
September 16, 2026*

Chair Hageman, Ranking Member Hoyle, and honorable members of the Committee, thank you for the opportunity to submit testimony in support of H.R. 5935, the Agua Caliente Band of Cahuilla Indians Water Rights Settlement Act. My name is Jeff Grubbe, and I am Chairman of the Agua Caliente Band of Cahuilla Indians (“Agua Caliente”). H.R. 5935 secures a water supply for Agua Caliente, promotes tribal self-sufficiency, and strengthens water security for Agua Caliente and the entire Coachella Valley. Thank you to Representatives Calvert and Ruiz for sponsoring this historic legislation.

I. Background

For millennia, the ancestors of my tribe have inhabited land in and around Palm Springs, California. In this desert environment, obtaining access to water was essential to my Tribe’s survival. My ancestors relied upon surface water, hot springs, and hand dug wells to access groundwater. In response to relentless encroachment by non-Indians on Agua Caliente territory and resultant deprivations for the Agua Caliente people, federal Indian agents advocated for years for the establishment of an Agua Caliente reservation. Following decades of hardship after the United States failed to ratify the 1852 Treaty of Temecula, the United States established the Agua Caliente Reservation in 1876 and substantially expanded it one year later. Shortly before the Reservation’s establishment, Congress granted the odd-numbered sections of Agua Caliente’s aboriginal lands to the Southern Pacific Railroad. As a result, our Reservation is a checkerboard pattern, with even numbered sections of Reservation trust lands interspersed with non-Indian odd-numbered sections of fee land. Today, our Reservation consists of approximately 34,000 acres and now includes large portions of the cities of Palm Springs, Cathedral City, and Rancho Mirage. Due to this unusual history and the urban environment, the Tribe and the non-Indian community rely upon the same surface and groundwater supplies.

In this desert environment, surface water does not continually flow and is virtually nonexistent in the Coachella Valley for most of the year. Therefore, almost all the water consumed in the region comes from the aquifer underlying the valley. For decades following the establishment of our Reservation, non-Indian farmers, speculative developers, and eventually state-created water agencies diverted surface water flowing over the Reservation for their own needs and dug wells that mined groundwater from beneath the Reservation. Remarkably, in the 1880s, the United States’ Mission Indian Agent, John McCallum, orchestrated a fraudulent scheme to divert the Tribe’s surface water from the Reservation for the benefit of non-Indian users. These types of encroachments made it more difficult for the Tribe to use surface water and rendered traditional methods of accessing groundwater impossible. After decades of conflict over surface water rights, a formal adjudication of all surface waters was launched in the 1920s. In the adjudication, the United States failed to protect my Tribe’s rights to all surface waters flowing on our Reservation, instead leaving surface water rights to be decreed to non-Indians.

Non-Indian groundwater mining and interference with Agua Caliente's trust water resources accelerated with the commercial and resort development of Palm Springs after World War II and continued for decades thereafter. As of 1936, groundwater usage in the Upper Coachella Valley—the area where the Agua Caliente Reservation is situated—was approximately 15,500 acre-feet per year (“AFY”). By 1999, annual Upper Valley groundwater production exploded to at least 207,800 AFY. This increase in pumping far exceeded the aquifer's ability to naturally recharge itself, resulting in an estimated loss of 985,600 acre-feet (“AF”) of freshwater storage in the Upper Valley aquifer from 1936 to 1999. The loss of high quality, native groundwater—the water the United States reserved for Agua Caliente—was far greater, because the 985,600 AF decrease in water stored in the aquifer is after accounting for local water agencies' efforts to lessen ongoing overdraft by artificially recharging the aquifer with hundreds of thousands of acre-feet of lower quality, imported Colorado River water.

As a result of non-Indian mining of the aquifer which holds Agua Caliente's trust water resources, water levels in Upper Valley wells dropped 50-100 feet between the 1950s and 1970s, substantially increasing the cost of accessing and supplying water on the Reservation. While water levels in some (but not all) areas of the Upper Valley partially recovered after local water agencies began their recharge efforts with imported Colorado River water, the water levels under the Reservation will never fully recover. We estimate the loss of 174,000 AF of groundwater in storage beneath the Reservation lands between 1936 and 2009. The decrease in groundwater storage resulted in a decline in the depth to water table.

For several decades, the Tribe and the Bureau of Indian Affairs asserted the Tribe's water rights in a concerted effort to advocate for sustainable local management of the groundwater and to protect groundwater quality. These efforts to reach a resolution of disagreements about the Tribe's water rights and sovereign authority over its water resources failed. In 2013, Agua Caliente filed a lawsuit against two local water districts, Coachella Valley Water District (“CVWD”) and Desert Water Agency (“DWA”) (collectively, “Water Districts”), whose service areas overlap with the Reservation. The Water Districts have constructed extensive water delivery infrastructure and wells on the Reservation and deliver groundwater to Reservation trust lands, fee lands, and to the Tribe and thousands of non-Indians situated on the Reservation. In the lawsuit, the Tribe sought to have its water rights declared and quantified, and to protect the Tribe's groundwater resources from depletion and degradation. One year later, the United States joined the lawsuit as trustee of the Tribe. In 2017, Agua Caliente obtained a landmark ruling in the Ninth Circuit Court of Appeals holding that Indian tribes have federal reserved rights to groundwater and sending the case back to the district court for a determination of the extent of Agua Caliente's water rights. At that point, the Tribe, CVWD, DWA, and the United States decided to attempt mediation, and another five years of intense settlement discussions resulted in the agreement that is now before Congress.

II. Key Settlement Terms

The settlement is comprehensive. H.R. 5935 affirms Agua Caliente's federal reserved right to groundwater, advances Agua Caliente's sovereignty over its territory and resources, and fairly allocates tribal and non-tribal management authority over a jurisdictionally complex

reservation. It also stabilizes and expands scarce water resources that benefit both Agua Caliente and non-Indian residents in the Coachella Valley.

A. Agua Caliente's water right

The Settlement acknowledges and quantifies Agua Caliente's federal reserved water right of 20,000 AFY with a priority date no later than the 1876-77 executive orders establishing the Reservation. The amount is based on historic water use on the Reservation as well as additional future use in the event of full development of Reservation trust land. The Settlement provides that the Tribe's water right will be held in trust by the United States for the Tribe's benefit and that it shall not be susceptible to loss or forfeiture for non-use or otherwise subject to state law. It acknowledges that Agua Caliente can use its reserved water for any lawful purpose on its Reservation and, with the consent of the appropriate Water District, may lease its water right for any lawful off-Reservation use within the Coachella Valley aquifer. The settlement also confirms the Tribe's surface water rights in Tahquitz Creek, Andreas Creek, and the Whitewater River, which the United States will hold in trust for the benefit of the Tribe.

As a compromise reflecting the realities of the arid desert climate and the substantial non-Indian population that also relies on groundwater, the Tribe agreed to a water allocation smaller than what it and the United States would have obtained through litigation. Our water and economic expert prepared a reasonable range of valuations of the water the Tribe relinquished in the settlement at \$151.3 million (low), \$735 million (medium), and \$1.2 billion (high).

Notwithstanding that the Tribe has the most senior water right in the Coachella Valley, and more than 17,000 AFY of water is currently used on the Reservation, Agua Caliente agrees to reduce its 20,000 AFY water right by up to an additional 5,000 AFY when the State of California declares shortages requiring non-tribal water producers to reduce groundwater production. Agua Caliente recognizes that water is a precious resource in the desert, and we want to do our part to ensure that the Coachella Valley will continue to thrive. Our expert water consultant estimates that the Tribe will require \$270 million to \$462 million to acquire water supplies for these times of shortage.

B. Replenishment Assessment Charges

CVWD and DWA recoup a portion of the costs of importing surface water for recharge by assessing a Replenishment Assessment Charge ("RAC") on the pumping of groundwater or diversion of surface water within their respective Areas of Benefit, including on the Agua Caliente Reservation. The Tribe also imposes a water production fee on Reservation groundwater pumpers to fund the Agua Caliente Water Authority, meaning that at the time the Tribe and Water Districts reached a settlement, groundwater pumpers on the Reservation were paying two pumping related fees. The Settlement provides that any production of the Tribe's water by the Tribe or allottee tribal members will be exempt from the RAC. To avoid the imposition of double pumping related fees and to lessen the financial impact of the settlement on CVWD, DWA, and their customers, the Tribe agrees to forbear charging tribal water fees on third-party groundwater pumping on the Reservation for 42 years. By forgoing these tribal water fees, the Tribe's expert estimates that the Tribe is forgoing \$66 million and adding \$331 million in value to the Valley. During this time, the

Water Districts will continue to assess their RAC on third-party groundwater production on the Reservation.

C. Tribal Water Use Fees

The Settlement explicitly approves the assessment of a Tribal water use fee under Tribal law to be assessed on parties located on the Reservation who use the Tribe's water right, including those whose water is delivered by the Water Districts. It further provides that, at the Tribe's request, the Water Districts will include the fee on bills sent to their customers on the Reservation, collect all fees assessed on their customers, and remit collected fees to the Tribe. This provision of the settlement ensures that the Water Districts maintain their investments in their existing infrastructure, while also providing the Tribe with a revenue stream to promote sustainable water projects, economic efficiency on the Reservation, and tribal self-sufficiency.

D. Cooperative Management

To ensure cooperative and sustainable management of groundwater, the Settlement includes a Memorandum of Cooperation Regarding Water Management ("MOC") among Agua Caliente and the Water Districts. The MOC provides for the Tribe's active involvement in the management of the Coachella Valley aquifer subbasin underlying the Agua Caliente Reservation in partnership with the Water Districts. The MOC provides for: (1) the sharing of confidential data; (2) the establishment of a joint Technical Advisory Committee ("TAC") with representation for Agua Caliente and the Water Districts that will provide technical input and advice regarding the condition of the aquifer and the implementation of management strategies; (3) measurable groundwater level objectives that will trigger identified and agreed upon management actions; (4) provisions for how the parties will administer their respective water rights in times of shortage or in the event of long-term decline in the aquifer's safe yield; and (5) pledges the Water Districts' support for the Tribe to join existing groundwater management and planning Memorandums of Understanding that the Water Districts have with third parties.

Importantly, the MOC establishes concrete thresholds—which Agua Caliente will monitor in coordination with the Water Districts—to ensure that the severe overdraft that first prompted the Tribe to litigate its water right does not recur. By taking an active governmental role in managing the aquifer, the Tribe is exercising its inherent sovereignty in a way that will benefit its members and non-members in the Coachella Valley.

E. Imported water

The settlement provides certainty that the parties may import surface water supplies which are crucial to sustainable water management in the Coachella Valley. In addition, CVWD will be authorized to purchase federal land it has used pursuant to a federal permit for decades to recharge the aquifer. This recharge activity is critical to the health of the aquifer and the economic viability of the Coachella Valley. This purchase of federal land reduces uncertainty about CVWD's future recharge activity and eliminates the bureaucratic red tape associated with CVWD repeatedly having to obtain or renew federal permits for using the land.

F. Bureau of Land Management Land

H.R. 5935 transfers 2,742 acres of Bureau of Land Management (“BLM”) land of cultural importance to the Tribe to be held in trust for the benefit of Agua Caliente. As Congress recognized in the Santa Rosa and San Jacinto Mountains National Monument Act of 2000, Public Law 106-3512, the BLM lands at issue are culturally significant to the Tribe. *See* Section 2 (4) (“These mountains have special cultural value to the Agua Caliente Band of Cahuilla Indians, containing significant cultural sites, including village sites, trails, petroglyphs, and other evidence of their habitation.”) The Tribe has a longstanding record of responsible stewardship over its culturally significant resources, including its hot springs and Indian Canyons. It is entirely appropriate for the Tribe to exercise its sovereign authority over its cultural resources to ensure their continued protection and preservation. Importantly, these lands are part of the watershed that naturally recharges the aquifer. Gaming will be prohibited on the land, although as a practical matter this remote and steep mountain terrain will not support economic development activity of any kind.

G. Funding

H.R. 5935 establishes a water settlement trust fund for Agua Caliente totaling \$500 million in federal funding. The amount of federal funding in the Settlement is the result of extensive and complex settlement negotiations among the parties over five years. To reach this amount, the Tribe considered many factors, including the Tribe’s anticipated waiver of its claims against the United States for its breach of its trust responsibilities to the Tribe, which it estimates to be in the range \$695 million to \$1.3 billion. The Tribe also considered the cost of the concessions the Tribe has made to reach a settlement, such as the amount of water it accepted in settlement versus what it would obtain in litigation and the cost to obtain water supplies the Reservation will require in times of shortage. The parties further considered the limitations the Tribe agreed upon regarding fees it may charge for the use of its water, and its waiver of claims arising from the permanent water quality degradation of its groundwater (estimated to be \$514 million), as well as the costs associated with the projects and water acquisitions required to ensure the long-term needs of the Reservation, the operational expenses of these projects, and the significant expenses the Tribe will incur with its future role in regional water management and as a purveyor of water to golf courses and new Reservation developments. The Tribe has provided multiple technical reports to the Department of Interior detailing these estimates and the Tribe stands ready to provide clarification (or additional information) as requested by the Department of the Interior.

The federal funding will be allocated as follows:

1. *Agua Caliente Development Projects Account*

\$300 million will fund the tribal infrastructure, facilities, and conservation focused projects to improve the water supply, water reliability, water infrastructure, or water quality. Because the demand for groundwater in the Coachella Valley far exceeds the available supply and the groundwater under the Reservation will continue to degrade, the Tribe seeks funding for: (1) supply projects to enhance the reliability of local water supplies; (2) water demand reduction programs to extend the life of local and imported water supplies; and (3) water quality improvement projects. The Tribe has identified the following potential development projects, with the following costs:

A. Recycled Water Project

The Tribe is in discussions with DWA and the City of Palm Springs to expand the use of recycled water to all golf courses on the Reservation. The recycling project achieves multiple goals benefiting the region. The estimated total future capital cost of the Project, including design and contingencies, is \$55.7 million in 2028 dollars.

B. Brackish Groundwater Development

Brackish groundwater development is a potential new source of supply for the Tribe. Our water and economic expert estimates the capital cost of developing 5,000 AFY of brackish groundwater treatment and conveyance to be \$79 million. The 30-year operation and maintenance costs of such a project are estimated to be \$328.8 million, with a total 30-year cost estimate of \$407.80 million.

C. Groundwater Banking

There are several potential groundwater banking and storage projects aimed at improving the reliability and yield of the Water Districts' State Water Project supplies used to recharge water in the Basin. Our water and economic expert believes that the best estimate for the life cycle cost of banking is \$54.6 million to participate in the program for 30 years at a capacity of 5,000 AF of recovery. This cost estimate does not include the cost of the water supply.

D. Water Supply Acquisition and Water Exchange Projects

The Tribe has identified potential multi-year lease opportunities estimated by our water and economic expert to have an annual average cost of \$590 per AF. Our water and economic expert estimates the cost to secure 5,000 AF of annual water supply at \$2.95 million per year with a present value over a 30-year period of \$61.3 million.

The Pure Water Southern California ("PWSC") project is another potential source of water supply. Our economic and water expert estimates that tribal participation in the PWSC project at a volume of 5,000 AFY would have an annual cost of \$14.1 million and a present value cost over a 30-year period of approximately \$293.4 million.

The settlement parties also analyzed the potential cost for a trans-basin water conveyance project to bring State Water Project water directly to the Valley. If the tribe were to participate in a larger capital project the present value of costs over a 30-year period is estimated to be \$83.2 million.

E. Water Quality Improvement

The Tribe continues to be concerned about the degradation of water quality in the local aquifer underlying the Reservation due to importation activities and native groundwater depletion. Our water and economic expert estimates the cost of at home reverse osmosis treatment systems on the Reservation to be \$46.8 million. Our water and economic expert estimated the cost of

treating degraded water, considering a variety of potential projects, at an average cost of \$48.8 million.

F. Projects for the Tribe to develop its own water systems

In furtherance of its tribal sovereignty, the Tribe intends to develop its own water systems on undeveloped lands on the Reservation. The Tribe's engineering expert developed costs to construct and operate domestic water systems to serve future developments on currently undeveloped trust lands of the Reservation. The capital costs for seven future developments, located on either Tribal Trust or Allotted Trust lands, total \$225.8 million.

2. *Agua Caliente Groundwater Augmentation Account*

To ensure that the Tribe's groundwater, a federal trust asset, will be protected, \$100 million is dedicated to water supply projects by the Water Districts that augment Groundwater supplies in the Coachella Valley and support water levels under the Reservation. Due to their existing state water project contracts, it is far less expensive and more efficient for the Water Districts to import this water, as opposed to the Tribe.

3. *Agua Caliente Water Management Account*

\$50 million is dedicated to a water management fund to support the Tribe's larger role as a water manager in the Coachella Valley and purveyor of water, via the Agua Caliente Water Authority ("ACWA"). ACWA will be taking on substantial responsibilities associated with managing and administering its water right. The Agua Caliente Tribal Council created ACWA, a governmental instrumentality, in 2019 to protect, manage, and regulate the Tribe's groundwater consistent with the Tribe's Water Ordinance, which it enacted concurrently. The Board is in the early stages of building its capacity. The Board consists of five uncompensated Board Members. The Tribe pays an outside consultant and employs two full-time tribal employees to support the Board. Currently, ACWA monitors water use on the Reservation, groundwater conditions, and oversees groundwater permitting on the Reservation. Previously, the Tribe's groundwater production fees funded ACWA. Under the Settlement Agreement, the Tribe agreed to forbear imposing those fees as of May 2025. The Tribe therefore currently uses tribal general funds to keep ACWA functioning until the Tribe receives settlement funding, which will include federal and state funds plus new tribal revenue streams. Because ACWA's responsibilities will be significantly expanded in the coming years, the Tribe intends to hire additional permanent staff to support ACWA to fully implement the settlement.

The funding for water management will be used for capital expenses, such as well and surface water monitoring, and other projects that will be necessary for ACWA to track and manage the Tribe's water rights and the Tribe's delivery of new water from outside the Indio Subbasin, including potential sources from the Colorado River, State Water Project, and other entities.

With the settlement, the Tribe also will be engaged in local and regional water management, additional water projects, including purveying recycled water to golf courses on the Reservation and to new residential developments. As such, the Tribe will require additional

resources to support its management of water. Following the settlement, the Tribe will join existing Memoranda of Understanding in the Basin involving water planning or management processes. In addition, the Tribe will be required to participate in the existing cost-sharing provisions of any MOU that it chooses to join.

Through ACWA, the Tribe will be taking on additional responsibilities as a member of the TAC, consistent with the MOC. The Tribe and the Water Districts also will be advancing the mission of the Colorado River Basin Salinity Control Program. Following the Settlement, ACWA will take on significant responsibilities associated with overseeing the collection of Tribal water fees on domestic deliveries on the Reservation in accordance with the Settlement Agreement. ACWA also will be responsible for overseeing the anticipated water development projects, including purveying recycled water to golf courses on the Reservation and to new developments on the Reservation, as well as the water supply enhancement projects, water demand reduction programs, and water quality improvement projects. The role of ACWA will be greatly enhanced through the Settlement, and funding is required to support these additional management and administrative activities.

4. Agua Caliente Operation, Maintenance, and Replacement Costs Account

\$50 million will go to operation, maintenance, and replacement (“OM&R”) costs for any of the Agua Caliente Development Projects. Without OM&R funding the Tribe would face significant barriers regarding the types of projects it could execute using federal water development funds. Certain projects, like recycling and purveying water to new developments on the Reservation would be too expensive. The Tribe’s engineer prepared an analysis of the OM&R associated with the recycling project showing a cost of \$823 per AF, compared to the \$ 255 per AF current RAC rate that DWA charges groundwater pumpers. The annual OM&R associated with new development is estimated to exceed \$5 million per year, while other projects, like brackish groundwater development, require \$15.8 million per year of OM&R. Imported water supplies also would be impossible to secure, given the high transportation expenses. In other words, the Tribe needs this funding to get started on these projects in the near term. After the Tribe has accumulated revenue over time from the Tribal Possessory Interest Tax and tribal water use fees on deliveries to Reservation residents the Tribe will be able to bear full responsibility for OM&R costs.

H. Possessory Interest Tax

The settlement will finally resolve longstanding disputes regarding the assessment and collection of Riverside County’s ad valorem property tax on possessory interests in Agua Caliente Reservation trust lands by approving the levy and collection of a Tribal Possessory Interest Tax (“Tribal PIT”). Currently, all possessory interests in Agua Caliente Reservation trust lands, including residential and commercial leases with the Tribe or allottees, are subject to an annual ad valorem property tax of 1%, with proceeds of that tax going to Riverside County to fund projects throughout the county. Agua Caliente has long objected to the county’s taxation of possessory interests in trust lands on the Agua Caliente Reservation and to the lack of local control over how and where such revenues are spent. The Tribe and Riverside County leadership via the Settlement Agreement, over a period of years, fashioned a mutually acceptable resolution to this long-

contested issue, as indicated by the support letter submitted by the Riverside County Board of Supervisors.

Under the Settlement Agreement, assessment and collection of the Riverside County ad valorem property tax on possessory interests solely on Agua Caliente Reservation trust lands will be suspended for any period in which the Tribe imposes an equivalent Tribal PIT on such interests. The Tribe will use the proceeds of its Tribal PIT on specified public projects, including: (a) offsetting the costs of operating the Agua Caliente Water Authority; (b) offsetting the costs of operation, maintenance, repair, and replacement of the Tribe's water project infrastructure; (c) funding the Agua Caliente tribal government; and (d) providing funds to other public agencies (including non-tribal agencies/taxing jurisdictions), specifically including assurance that such other public agencies will receive at least the same proceeds from the Tribal PIT that they otherwise would have received from the levy and collection of the Riverside County ad valorem property tax.

The way the provision is structured, no public agencies other than Riverside County—which has explicitly endorsed the Tribal PIT provision—will see a single dollar less funding than they would receive in the Riverside County ad valorem property tax remained in effect on possessory interests in Agua Caliente Reservation trust lands. The provision also maintains the administrative status quo ensuring a seamless transition for taxpayers, and other public agencies (taxing jurisdictions). In addition to creating a permanent and certain revenue stream to fund the Tribe's obligations under the settlement, this provision thus promotes tribal sovereignty, economic self-sufficiency, and local governmental control of tax revenues.

The legislation only impacts the Agua Caliente Reservation and does not establish the taxing authority of any other Indian Tribe. The legislation does not create precedent or encourage other California tribes to extend this provision to their reservations, as no other tribal reservation (that we are aware of) is in a similar urban environment with more than two dozen taxing jurisdictions overlapping the Agua Caliente Reservation or has allotted trust land leasing and development on the same scale as the Agua Caliente Reservation or is similarly subject to the amount of the on-reservation PIT collection by the County. In fact, the annual amount of state possessory interest tax collected on the Agua Caliente Reservation is approximately 50 times greater than on any other Indian Reservation in California.

The possessory interest tax provisions will eventually provide ACWA with the same type of perpetual tax revenue funding that all other non-tribal water agencies enjoy. While the provision may be novel, it is also a State and local contribution to the Settlement providing long term certainty of funding availability that allows ACWA to carry out its managerial and administrative functions indefinitely. The Tribe has agreed to forgo significant future revenue in this settlement and made significant concessions, in part, to achieve a resolution of the decades long dispute with Riverside County over the imposition of the state possessory interest tax on Agua Caliente's trust lands.

I. Non-Federal Local Contributions

CVWD and DWA will be making a local contribution to the Settlement. With respect to congressional preemption of the Water Districts' RAC imposed on groundwater pumpers on the

Reservation, the Water Districts estimate that from 2068, the end of the Tribe's forbearance period, through 2085, the current contract term for imported State Water Project water, the Water Districts' forgone revenue, not accounting for inflation, will equate to a combined total of approximately \$99.1 million.

The Water Districts will be using federal funding for capital costs to acquire additional imported water supplies for recharge upgradient from the Reservation. The funding will not cover the Water Districts' transportation costs for bringing the water to the Valley. The Water Districts estimate that they will incur over \$7 billion in total for delivery costs for imported water into the Valley, and that the cost to obtain 20,000 AFY, the equivalent of the Tribe's water right, from a new water source costs approximately \$95.7 to \$106 million annually.

The Water Districts will be delivering a portion of the Tribe's water using infrastructure the Water Districts constructed, thereby relieving the United States and the Tribe of the expense of constructing additional delivery infrastructure. DWA estimates that it will deliver 4,600 AFY of the Tribe's water and values this service at \$5.8 million annually. Similarly, CVWD estimates that it will deliver 2,800 AFY of the Tribe's water and values this service at \$2.2 million annually.

The State of California, although it is not a party to the Settlement, has also committed an additional \$15 million contribution in funding, as explained in its submitted support letter. As explained above, congressional preemption of the State's possessory interest tax also constitutes a non-federal contribution of approximately \$5 million annually.

III. Conclusion

In addition to confirming Agua Caliente's federal reserved water right, H.R. 5935 ensures that Agua Caliente, for the first time, will have an active, governmental role in Coachella Valley groundwater planning and management. Moreover, the ability to regulate tribal water resources through the imposition of tribal fees will provide a permanent funding source that, along with federal funding, will allow the Tribe to contribute to future water projects that will benefit the Reservation and the surrounding communities. The cities of Palm Springs, Rancho Mirage, and Cathedral City, alongside Riverside County, CVWD, DWA, and the State of California, fully support H.R. 5935. The Settlement also establishes concrete thresholds—which Agua Caliente will monitor in coordination with the Water Districts—to ensure that the severe overdraft that first prompted the Tribe to litigate its water right does not happen again. In short, the Agreement acknowledges and implements, for the first time in memory, Agua Caliente's sovereignty over a critically important trust resource upon which the Tribe has relied since time immemorial. On behalf of Agua Caliente, I respectfully request that this Congress pass the Agua Caliente Water Rights Settlement Act as soon as possible.

Thank you.