



The Metropolitan Water District of Southern California

NEWS RELEASE

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METROPOLITAN BOARD CUTS SPENDING IN RESPONSE TO PANDEMIC, LOWER WATER SALES

In response to lower water sales and concerns about the financial impacts of COVID-19 on its member agencies and the public, the board of directors of the Metropolitan Water District of Southern California today voted to approve a [cost-cutting plan](#) to reduce district expenditures.

The cuts will save about \$11.7 million, while allowing Metropolitan to continue providing the safe, reliable water supply Southern California depends on. Staff will continue exploring additional opportunities for savings to bring back to the board for a mid-cycle budget review next summer.

The full consequences of the pandemic's financial impact on Metropolitan's member agencies are not yet known, and declining revenue, low water sales, and an increased reliance on district reserves necessitate fiscal discipline, Metropolitan board Chairwoman Gloria Gray said.

“While most of our member agencies are successfully managing through these difficult times, there is a lot of uncertainty ahead. So it is critical that we take every step possible to cut spending without sacrificing the essential service we provide to the region,” Gray said. “COVID-19, wildfires and other challenges to our water supply due to climate change require us to maintain and adapt our water system to ensure Southern California's people, businesses, hospitals and communities have the water they need through these difficult times.”

The board also directed staff to develop a penalty-free payment deferment program, evaluate potential new revenue-generating programs, and place a moratorium on non-emergency, unbudgeted spending. The latest cuts come on top of additional measures to reduce spending made in April, when the board approved the biennial budget.

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The Metropolitan Water District of Southern California is a state-established cooperative that, along with its 26 cities and retail suppliers, provide water for 19 million people in six counties. The district imports water from the Colorado River and Northern California to supplement local supplies, and helps its members to develop increased water conservation, recycling, storage and other resource-management programs.