



May 26, 2021

The Honorable Gavin Newsom
Governor, State of California
State Capitol, First Floor
Sacramento, CA 95814

The Honorable Toni Atkins
Senate President pro Tempore
State Capitol, Room 205
Sacramento, CA 95814

The Honorable Anthony Rendon
Speaker of the Assembly
State Capitol, Room 219
Sacramento, CA 95814

RE: 2021-2022 Proposed Budget for Water and Drought and Climate Resilience

Dear Governor Newsom, Senate President pro Tempore Atkins and Speaker Rendon:

I am writing on behalf of Metropolitan Water District of Southern California (Metropolitan) to urge your support for funding that would help Southern California plan for future climate change and further drought-proof our region. As a regional water wholesaler, Metropolitan delivers water to 26 member agencies (including 14 cities, 11 municipal water districts, and one county water authority) which in turn, directly or through their sub-agencies, provide water to approximately 19 million people in Southern California.

Thanks to sound planning and investments in conservation, infrastructure and innovation, Southern California is prepared for this year's drought. That said, we are always focused on the future and will continue to take steps to address climate change by modernizing existing water systems and investing in new, innovative and sustainable projects. For these reasons, we are encouraged by the May Revision and the Legislature's water and drought and climate resilience budget plans that will help mitigate climate change impacts on our region now and into the future.

Summarized below are Metropolitan's priorities for specific categories of funding for water, drought resiliency and COVID-19 relief.

Increase funding for recycled water projects including potable reuse.

Attached is a list of shovel-ready recycled water projects totaling \$2.8 billion that represent excellent opportunities to diversify Southern California’s water supplies and increase climate resilience for the region. Recycled water is a drought-proof source of water that is readily available come rain or shine, because it uses the region’s largest untapped source of water—wastewater. In partnership with the Sanitation Districts of Los Angeles County, Metropolitan is conducting the environmental planning for the Regional Recycled Water Program. At full scale, this program could produce up to 150 million gallons daily, enough to serve 500,000 homes. Similarly, major programs are also being pursued by the City of Los Angeles and the City of San Diego. State funding assistance will help improve the economic feasibility of these initiatives.

Support urban water use efficiency grants. Metropolitan’s Be Water Wise program is the gateway to many of our rebates and grant programs. With additional funding, we could increase the incentive for Metropolitan’s Regional Turf Replacement Program from \$2 per square foot to \$4 per square foot which would boost activity in the program and provide for a substantial amount of turf to be removed in Southern California. Since outdoor watering accounts for more than half of a household’s total water use in many of our communities, landscape transformation activities, including those focused on native plants, result in significant water savings. In addition, Metropolitan plans to launch an annual Multi-Family Toilet Rebate Program to replace 10,000 toilets in multi-family units which will benefit many disadvantaged communities. There is great demand for rebates to replace older toilets in multi-family units as we learned after the launch of a pilot in 2019 when all 10,000 high-efficiency toilets were reserved in less than 30 minutes.

Create new funding for water quality monitoring and treatment for groundwater contaminants, including Per- and Polyfluoroalkyl (PFAS) compounds. New state funding would help public water agencies in Southern California, many of which serve disadvantaged communities, monitor for PFAS and invest in new treatment technologies. The average cost to treat PFAS is \$4 million per well. There are approximately 100 wells needing treatment and the number is expected to double as additional investigations occur.

Create new funding for constituents of emerging concern monitoring, research and treatment. Cyanobacterial blooms that produce naturally occurring but harmful cyanotoxins have increased in many reservoirs and lakes due in part to drought and increased nutrient runoff into water supplies. New state funding is needed to monitor, research, and control or treat new constituents of emerging concern that include microorganisms such as cyanotoxins, as well as unregulated chemicals that can be detected in trace amounts in drinking water sources.

New funding for water resilient infrastructure. The conveyance systems for the State Water Project (SWP) and Central Valley Project (CVP) are aging and currently face up to a 60 percent design capacity loss due to subsidence in the San Joaquin Valley. State and federal water contractors are partnering to secure funding for repairs from a combination of local, state and federal sources, including support for SB 559 (Hurtado) that would create a \$785 million Canal Capacity Restoration Fund administered by the Department of Water Resources. There are federal bills pending to appropriate \$800 million towards the cost of repairs. State funding for subsidence repairs would be matched by non-state funding, including federal and local contributions. In addition, new funding is needed to support regional and inter-regional

groundwater banks that can store water in wet years and make it available in dry years. These types of conjunctive use projects help ensure water supply reliability, especially during droughts.

Increase funding for nature-based solutions. Metropolitan supports funding to restore and reconnect habitats in ways that will strengthen the resiliency of native fish populations and wildlife to changing climate conditions and rising temperatures. Early action is needed to invest in large-scale restoration projects for salmon and other native species in the Central Valley, including floodplain, tidal and side-channel habitat restoration and improvements to spawning grounds.

Approve COVID-19 financial assistance to help customers with unpaid water bills. Water agency customers across the state have been hard hit by the COVID-19 pandemic and many have fallen behind in paying their utility bills. The State Water Resources Control Board survey of water agencies, including publicly owned utilities that provide water and power, estimated total household debt is around \$1 billion. Funding is needed so these agencies can pay down customers' utility debts.

Metropolitan looks forward to working with you to shape the final budget package that will help Southern California strengthen our climate resiliency efforts and appreciate your leadership on these important issues. If you should have any questions, please reach out to Kathy Viatella, our Sacramento Legislative Representative, at (619) 517-5823.

Sincerely,



Jeffrey Kightlinger
General Manager

Attachment

cc: Members of the Senate Budget and Fiscal Review Committee
Members of the Assembly Budget Committee
Angela Pontes, Deputy Legislative Secretary, Office of the Governor
Matt Almy, Assistant Program Budget Manager, Natural Resources, Environment
Eric Jarvis, Deputy Secretary for Fiscal and Administrative Programs
Kip Lipper, Office of Senate President pro Tempore Toni Atkins
Alf Brandt, Office of Assembly Speaker Anthony Rendon
Joanne Roy, Consultant, Senate Budget and Fiscal Review Subcommittee No. 2
Emilye Reeb, Fiscal Consultant, Senate Republican Caucus
Shy Forbes, Consultant, Assembly Budget Committee
Kirstin Kolpitcke, Fiscal Consultant, Assembly Republican Caucus
Dennis O'Connor, Chief Consultant, Senate Natural Resources and Water Committee
Todd Moffitt, Policy Consultant Senate Republican Caucus
Pablo Garza, Chief Consultant, Assembly Water, Parks and Wildlife Committee
Calvin Rusch, Policy Consultant, Assembly Republican Caucus