





Sent via electronic mail

March 2, 2022

The Honorable Gavin Newsom
Governor, State of California

The Honorable Toni Atkins
Senate President pro Tempore

The Honorable Anthony Rendon
Speaker of the Assembly

The Honorable Nancy Skinner
Chair, Senate Budget & Fiscal Review Committee

The Honorable Phil Ting
Chair, Assembly Budget Committee

Re: **Support for Metropolitan Water District of Southern California's Water Infrastructure Funding Requests for Fiscal Year 2022-2023**

Dear Governor Newsom, President pro Tem Atkins, Speaker Rendon, and Chairs Skinner and Ting:

We, the undersigned, are writing to express our appreciation for your bold leadership to address California's immediate drought emergency and long-term water resilience with an investment of \$3.3 billion authorized in the 2021-22 state budget. These funds are an essential down payment and will begin to help Southern California meet current and anticipated future water supply needs while investing in new sustainable supplies for future dry conditions.

We urge you to consider additional one-time funding totaling \$552 million to help Southern California meet the unprecedented challenges to our water supplies by funding a set of Metropolitan Water District emergency and climate-resilient infrastructure projects brought on by climate change.

The Metropolitan Water District of Southern California (Metropolitan), a long-time partner with our respective organizations, has long been a leader in preparing for drought and investing in conservation and new local water supplies, along with its member agencies and retail providers to serve the 19 million Southern California residents within their service area. But in the face of climate change and historic drought conditions, we must urgently construct new projects that will add flexibility to our systems and increase our reliance on local and innovative water projects that can serve all communities.

To that end, Metropolitan has identified two of its major priorities for Southern California that need your support:

1. **Southern California's Emergency Drought Projects:** Some parts of the Metropolitan's service area are highly dependent on State Water Project (SWP) supplies which have been significantly reduced during this record setting drought. Delivery of alternative

sources of water is needed to meet demand, and this requires improvements to Metropolitan's distribution infrastructure. Three infrastructure improvement projects totaling \$52 million are planned that will allow up to 116,000 acre-feet of water from other sources to move into the most SWP dependent areas. Not only will these projects mitigate the current drought, but they will also help ensure this region is better prepared for drought conditions in the future as Southern California adapts to a changing climate.

- 2. Regional Recycled Water Program (\$500 million):** Metropolitan is also taking steps to address longer-term impacts of climate change by making a significant commitment to expand local supplies. In partnership with Los Angeles County Sanitation Districts, Metropolitan plans to construct a Regional Recycled Water Program (RRWP) that will purify treated wastewater to replenish groundwater basins, supply businesses, and augment Metropolitan's treated supply. This new project would provide water quality and supply benefits for many underserved communities in Southern California. Once operational, the RRWP would be the largest such project in the nation and could produce enough water to serve 500,000 households at full scale.

According to the Institute for Applied Economics of the Los Angeles Economic Development Corporation, the construction of the full-scale project would generate more than **47,000 jobs** with an **economic output of \$8.68 billion** and create opportunities to **support workforce development in underserved areas of Los Angeles County**. The cost to build a full-scale (150 mgd) facility is estimated to be \$3.4 billion (in 2018 dollars).

State funding to support the early design and construction over multiple years would accelerate the program and create new jobs.

California is in a strong financial position to help advance large-scale, regional water infrastructure projects that are urgently needed. Therefore, we respectfully request the authorization of \$552 million in the state budget, a significant and vital investment that will help benefit the entire state by shoring up Southern California's water future in these uncertain times and providing much-needed jobs.

In addition, Metropolitan has recently completed a survey of its member agencies and their retail agencies, to identify shovel-ready water infrastructure projects for Southern California. The effort resulted in a list of over 750 shovel-ready projects at a total cost of \$14.5 billion. Attached is a summary that highlights the number of projects and dollar amounts by funding priority/category.

Please consider the recent survey of shovel-ready water infrastructure projects for Southern California when evaluating and finalizing the Fiscal Year 2022-23 Budget.

Again, we appreciate your consideration of the above funding request in the 2022-2023 state budget for the Metropolitan Water District of Southern California and look forward to an opportunity to work with you in the future.

Sincerely,

Maria S. Salinas
President & CEO
Los Angeles Area Chamber
of Commerce

Kathi Van Etten
President & CEO
Simi Valley Chamber

S. Waldman and V. Berrellez
Valley Industry Commercial
Assoc (VICA)

Jeremy Harris
President & CEO
Long Beach Chamber of
Commerce

Tracy Hernandez
Founding CEO
BizFed

Cindy Roth
President & CEO
Greater Riverside Chambers of
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Anthony Goff
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Calleguas Municipal Water
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Senior Vice President
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Jessica Lall
President & CEO
Central City Association

Barry Waite
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Kelly Long
Supervisor, 3rd District
Ventura County

Louise Lampara
Executive Director
Coalition of Labor, Agriculture
& Business (CoLAB)

Bob Engler
Mayor
City of Thousand Oaks

Mark Norris
General Manager
Triunfo Water & Sanitation
District

Steve Villegas
President
Association of Water Agencies
of Ventura County

Alexander Nguyen City Manager City of Oxnard	Carolyn Cavecche President & CEO Orange County Taxpayers Association	Glenn Morris President & CEO Tri County Chamber Alliance
Marian E. Jocz Executive Director United Chamber of Commerce of the San Fernando Valley	Henry Rogers Executive Director Harbor Association of Industry and Commerce	Mark Waronek Chair South Bay Association of Chambers of Commerce
Mary Leslie President Los Angeles Business Council	Dominik Knoll President & CEO Redondo Beach Chamber of Commerce	Erik McLeod, Chair 2022-23 Southwest California Legislative Council and Murrieta/Wildomar Chamber of Commerce
Chris Collier Legislative Liaison Southwest CA Legislative Council	Ken Jenkins Chief Water Source Manager Cal Water Service	Alejandro Rojas General Manager Central Basin Municipal Water District
Matthew Litchfield General Manager Three Valleys Municipal Water District	Nina Jazmadarian General Manager Foothill Municipal Water District	John Bosler General Manager & CEO Cucamonga Valley Water District
Justin Scott-Coe General Manager Monte Vista Water District	David W. Pedersen General Manager Las Virgenes Municipal Water District	Joe Mouawad General Manager Eastern Municipal Water District
Ken Rausch Co-Chairman San Gabriel Valley Legislative Coalition of Chambers	Jeffrey Kightlinger Interim General Manager Pasadena Water and Power	Shivaji Deshmukh P.E. General Manager

cc: Keely Bosler, Director, Department of Finance
 Angela Pontes, Deputy Legislative Secretary, Office of the Governor
 Nick Hardeman, Office of Senate President pro Tempore Toni Atkins
 Kip Lipper, Office of Senate President pro Tempore Toni Atkins
 Joanne Roy, Senate Budget and Fiscal Review Committee Consultant
 Carrie Cornwell, Office of Speaker Anthony Rendon
 Alf Brandt, Office of Speaker Anthony Rendon
 Shy Forbes, Assembly Budget Committee Consultant

Attachment 1: Southern California Shovel-Ready Water Infrastructure Projects Categorized by Funding Priorities

Southern California Shovel-Ready Water Infrastructure Projects
Categorized by Funding Priorities

Categories	# of Projects	Total Amounts
New surface and groundwater storage	17	\$ 435,226,000
New conveyance facilities	43	\$ 355,804,000
Dam & reservoir rehabilitation	48	\$ 766,806,696
Water infrastructure rehabilitation	352	\$ 2,322,404,361
New water recycling ¹	48	\$ 7,622,850,000
Desalination	5	\$ 284,645,000
Stormwater capture & flood resiliency	15	\$ 281,720,821
Urban demand management	40	\$ 225,613,328
Ground water remediation & treatment, new capacity	65	\$ 995,069,600
Sustainability, security & facility upgrades	56	\$ 754,820,627
Wastewater & sewer systems	69	\$ 420,582,000
Grand Total	758	\$ 14,465,542,433

Source: Metropolitan Water District of Southern California 2022 survey of shovel ready projects over next five years.

¹\$6.3 billion of the total amount accounts for four large-scale recycled water projects valued over \$500 million each.