



*Metropolitan Water District of Southern California*

April 1, 2025

The Honorable Scott Weiner  
Senate Budget and Fiscal Review Committee  
1020 N Street, Room 502  
Sacramento, CA 95814

The Honorable Jesse Gabriel  
Assembly Budget Committee  
1021 O Street, Suite 8230  
Sacramento, CA 95814

The Honorable Ben Allen  
Senate Subcommittee No. 2  
1020 N Street, Room 502  
Sacramento, CA 95814

The Honorable Steve Bennett  
Assembly Subcommittee No. 4  
1021 O Street, Suite 8230  
Sacramento, CA 95814

**Re: Metropolitan 2025 – 26 Budget Priorities**

Dear Chairs Weiner and Gabriel and Subcommittee Chairs Bennett and Allen:

On behalf of the Metropolitan Water District of Southern California, we write to express our support for key investments and considerations in this year's budget. Climate change continues to be a major issue impacting water supply and strategies for resilience. As can be seen through the Legislature's advancement and voter approval of the Prop 4 Climate Bond, it is well recognized that tangible solutions are necessary to maximize our preparedness in addressing an uncertain future and actively responding to current challenges.

Metropolitan is a regional water wholesaler that works in partnership with our 26 member agencies to provide drinking water to approximately 19 million California residents across six counties in Southern California, specifically Los Angeles, San Diego, Orange, San Bernardino, Riverside and Ventura counties. Our core sources are supply are derived from the State Water Project (30%), Colorado River Aqueduct (20%), and a portfolio of local supplies (50%) that are used to balance local demand. Given Metropolitan's broad scope of service, our water supply resilience and affordability is pivotal for the region, with many of the priorities we advocate for representing statewide issues of interest.

**CA Aqueduct Subsidence - \$33 Million:** The California State Water Project has experienced a significant reduction in its water delivery capacity due to land subsidence, primarily affecting the California Aqueduct, which has sunk in certain areas leading to decreased flow capacity and increased operational costs to maintain water deliveries. Subsidence is an issue affecting major projects across the Central Valley, including the California Aqueduct, Friant-Kern Canal, Delta Mendota Canal and San Luis Canal. The total cost of the conveyance repair efforts over 10 years is estimated at \$2.4 billion, and water users have proposed a \$785 million cost-share from each

of the three parties – federal, state, and local – contributing to the total costs of repairs. As contractors on the State water Project, the local agencies are responsible for costs relating to the Project, as well as their own local cost share. Metropolitan makes up about 50% of the SWP contract and thus Southern California rate payers and others throughout the state would unfortunately bear a disproportionate burden despite the issue of subsidence being out of their control. This funding is critical to ensure California rate payers do not unfairly carry the weight of this funding obligation. We request that \$33 Million be allocated from Prop 4 climate bond funds for regional conveyance be allocated to the Department of Water Resources.

**State Water Project Dependent Areas - \$25 Million:** In 2021, California experienced a period of severe drought that led to significantly reduced allocations of State Water Project water, providing the bare minimum of supplies for human health and safety, which is the minimum needed for basic domestic purposes. This created serious strain on our ability to provide water to areas that primarily depend on the State Water Project for their supplies, impacting approximately 7 million residents. In response to this, Metropolitan is advancing regional conveyance projects to support the movement of stored water and recycled water supplies to the areas of Los Angeles, San Bernardino and Ventura counties that are recognized as State Water Project dependent areas. This will help ensure the region is more drought resilient and able to move water from other segments of our water portfolio to places where it is needed on occasions where State Water Project allocations are low. We request that \$25 million of Prop 4 climate bond funds for regional conveyance be allocated to Metropolitan for this purpose.

**Golden Mussels Remediation and Management - \$10 Million:** Golden mussels are an invasive species that were recently discovered in the Sacramento - San Joaquin Delta. The species poses a significant immediate threat to the natural ecosystems, water conveyance systems, infrastructure and water quality in California. In December, the Fish and Game Commission added Golden Mussels to the list of restricted animals, banning live possession and transportation, with the intent to reduce further spreading. The presence of these mussels has already impacted a number of recreational facilities across the Delta and without active state approved control measures in place, they will continue to spread imposing significant cost to ecosystems and water systems. This is not the first time a mussel species has presented serious concern to California water supplies, with quagga mussels representing another recent example that required both policy adaptation for mussel control and liability protection as well as millions of dollars in ongoing costs to water agency operations for monitoring and control efforts. Golden mussels represent a new iteration of this need for policy and funding support and is an urgent concern that must be addressed by the state. We request that \$10 million from the Prop 4 climate bond invasive species category be allocated to the Department of Water resources.

**Preservation of General Funds for Climate Resilience Projects:** The Governor's 2025-26 Budget proposal plans to shift \$273 million in General Fund commitments for climate resilience onto the climate bond. This includes \$51 million for recycled water, \$47 million for dam safety and \$32 million for watershed climate resilience. For recycled water alone, across Southern California there are 70 recycled water projects that are in various stages of development that can produce approximately 650,000 acre-feet of water per year. These projects total over \$50 Billion in necessary investment. As water agencies look to develop the necessary planning and

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infrastructure for essential climate projects, it is critical that we maintain our existing commitment to maximize the state's ability to achieve our water supply and resilience goals.

Thank you for your consideration of this request. We see these as necessary investments that will ensure California can adapt to climate change effectively and ensure our water security future. If you have any questions, please reach Jay Jefferson, II, Executive Legislative Representative at (916) 538 – 4663, or via email at [jjeffersonii@mwdh2o.com](mailto:jjeffersonii@mwdh2o.com).

Sincerely,

A handwritten signature in black ink, appearing to read 'Deven Upadhyay', with a stylized flourish at the end.

Deven Upadhyay  
General Manager  
Metropolitan Water District of Southern California