



June 6, 2024

The Honorable Gavin Newsom
Governor, State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

The Honorable Mike McGuire
Senate President pro Tempore
1021 O Street, Suite 8518
Sacramento, CA 95814

The Honorable Robert Rivas
Speaker of the Assembly
1021 O Street Suite 8330
Sacramento, CA 95814

Re: **FY 2024 – 2025 Budget – Oppose Proposed Reduction of Funding for the Voluntary Agreements**

Dear Governor Newsom, Senate Pro Tem McGuire, and Assembly Speaker Rivas,

On behalf of the Association of California Water Agencies (ACWA) and the undersigned organizations, I am writing to express our strong opposition to any reduction or reversion of previously committed funding for water resilience projects related to the San Francisco Bay/Sacramento-San Joaquin Delta (Bay-Delta).

Specifically, the Legislature is proposing to rescind critical funding that is currently available to support no-regrets habitat and water supply projects that are already providing drought resiliency for the environment, farms, and people. While these critical projects support early implementation of the Agreements to Support Healthy Rivers and Landscapes (Agreements), formerly referred to as the Voluntary Agreements, these types of projects are urgently needed regardless of what decision the State Water Resources Control Board (State Water Board) may make regarding the updated Bay-Delta Water Quality Control Plan.

These Agreements, and these early implementation actions, represent a collaborative, modern, and holistic approach to improving the Bay-Delta ecosystem and water supply reliability. Through the Agreements, a group of public water agencies are proposing a comprehensive suite of actions that will improve habitat and flows in the Delta and its tributaries to help native fish and wildlife species. Collectively, our organizations represent hundreds of water systems throughout California that deliver the vast majority of water used for agricultural, commercial, and residential purposes. We have long supported the Agreements as a means to addressing some of the most critical issues in the Bay-Delta. The State Water Board is expected to make a decision in early- to mid- 2025, and these funds are critical to continue successful implementation of vital restoration projects throughout the Delta watershed.

Over the last two budget cycles, the Administration and Legislature have committed funding through the budget process to support the types of projects proposed in the Agreements. In 2021, SB 170 (Chapter 240 Statutes of 2021) and SB 155 (Chapter 258, Statutes of 2021) appropriated funding for the purpose of improving environmental conditions to promote recovery of native fish species in the Sacramento-San Joaquin watershed. In addition, in 2022, AB 178 (Chapter 45, Statutes of 2022) provided \$100 million to the California Natural Resources Agency for these purposes. This funding had broad support from the water community, Legislature, and the Administration.

The Legislature's proposal would rescind hundreds of millions of dollars for projects related to the Agreements and thus undo and delay the agreements that were made to fund projects that protect fish and wildlife, address environmental issues in the Bay-Delta, and preserve water supply reliability.

Our organizations recognize the state's current fiscal outlook and the budget reductions that must be made. However, the undersigned organizations strongly urge the Administration to reject the Legislature's proposal to cut funding for the Agreements.

If you have any questions, please do not hesitate to contact ACWA's State Relations Director, Adam Quiñonez at adamq@acwa.com or 707-761-9247.

California State Budget – Funding for the Agreements to Support Healthy Rivers and Landscapes

Sincerely,

Adam Quiñonez
State Relations Director
Association of California Water Agencies

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cc: The Honorable Scott Weiner, Chair, Senate Budget and Fiscal Review Committee
 The Honorable Jesse Gabriel, Chair, Assembly Budget Committee
 The Honorable Josh Becker, Chair, Senate Budget Subcommittee 2 on Resources, Environmental
 Protection and Energy
 The Honorable Steve Bennett, Chair, Assembly Subcommittee 4 on Climate Crisis, Resources,
 Energy, and Transportation
 Joe Stephenshaw, Director, Department of Finance