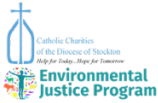




Delta Counties Coalition

Contra Costa County | Sacramento County | San Joaquin County | Solano County | Yolo County
"Working together on water and Delta issues."



LOCAL AGENCIES
OF THE
NORTH DELTA



COMMUNITY ALLIANCE
with FAMILY FARMERS



ENVIRONMENTAL LAW FOUNDATION



Tuolumne River
TRUST



FOR
JUSTICE & ACCOUNTABILITY

SAN JOAQUIN PARTNERSHIP

May 28, 2025

The Honorable Mike McGuire
President pro Tempore
California State Senate
State Capitol
Sacramento, CA 95814

The Honorable Robert Rivas
Speaker
California State Assembly
State Capitol
Sacramento, CA 95814

The Honorable Scott Wiener
Chair, Senate Budget Committee
State Capitol
Sacramento, CA 95814

The Honorable Jesse Gabriel
Chair, Assembly Budget Committee
State Capitol
Sacramento, CA 95814

The Honorable Ben Allen
Chair, Senate Budget Sub #2
State Capitol
Sacramento, CA 95814

The Honorable Steve Bennett
Chair, Assembly Budget Sub #4
State Capitol
Sacramento, CA 95814

Re: OPPOSE Delta Tunnel Trailer Bills

Dear Senate President Pro-Tempore McGuire, Speaker Rivas, Assemblymember Gabriel, Senator Wiener, and Members of the Legislature,

We, local governments, environmental justice organizations, conservation groups, fishing communities, and water advocates, **strongly oppose the May Revision trailer bill proposals that seek to fast-track the Delta Conveyance Project (Delta Tunnel) and sabotage the Bay Delta Water Quality Control Plan (Bay-Delta Plan) through the state budget process.**

These trailer bills would circumvent long-standing water law, environmental protections, and public due process to advance one of California's most controversial and costly infrastructure projects, and at the same time undercut water quality standards for the San Francisco Bay-Delta estuary, which are embodied in the Bay-Delta Plan. The Delta Tunnel would irreversibly alter the largest estuary on the West Coast of the Americas and adversely impact an annual Delta economy well over \$7 billion. These trailer bills undermine ongoing environmental review and water rights proceedings and prioritize the interests of powerful water exporters over Delta communities, tribes, the salmon fishing industry, and ecosystems. Underpinning this project is the long overdue update process to the Bay-Delta Plan, which is the most important opportunity to improve the health of the estuary that is currently in decline and the best way for the state to determine baseline sustainable water management moving forward. Governor Newsom's budget proposal seeks to interfere with this process and evade needed environmental review to inform the updated water quality standards. The result is the stripping away of the only opportunity communities impacted by poor Delta management have to inform the process.

The Administration's proposal includes legal and policy changes that would short-circuit the quasi-judicial State Water Board process currently underway to determine whether the Delta

Tunnel may legally operate under California's water rights system and goes as far as to amend Department of Water Resources water rights currently being challenged. This proposal would limit judicial and administrative review of the project, expand eminent domain authority for land seizures, and cement project financing mechanisms without public oversight or accountability. What the Governor is asking the legislature to agree to, represents sweeping, substantive policy changes, not technical budget adjustments, and must be subject to full legislative review through the policy committee process. This Trailer Bill should receive transparent public engagement with thorough analysis and review by the public, and by policy and legal experts, inclusive and measured policy hearings, open and public consideration of amendments, and the correctives available from public discussion.

Framing the Delta Tunnel as climate adaptation is misleading. Climate science tells us that water availability from the Sierra snowpack and the Delta watershed will continue to decline. The Delta Tunnel, legally a "beneficiary pays" project, would frequently sit unused in drought conditions while saddling the public with an unaffordable price tag that could exceed \$60 billion when adjusted for tariffs, inflation, interest, and construction overruns. Rather than invest in a costly, outdated megaproject, the state should prioritize proven and equitable solutions such as regional water recycling, stormwater capture, groundwater recharge, demand reduction, and levee improvements.

Meanwhile, the water quality standards that are currently implemented in the Bay-Delta system, referred to as the Bay-Delta Plan, were last meaningfully updated in 1995, and are woefully inadequate to protect communities and the ecosystem. The State Water Board has delayed updating the Bay-Delta Plan, in part, because it is waiting for development of private Voluntary Agreements ("VAs") negotiations, which are envisioned as collaborative plans to integrate flow improvements and habitat restoration that would be implemented in lieu of a straight regulatory update of the Bay-Delta Plan. These Agreements are still not complete, and as they continue to be developed, require environmental review. This budget proposal hopes to rush these inequitable, inadequate, and illegal Agreements through as part of the Plan, sabotaging the most important planning process for the health of the Bay-Delta estuary.

With respect to the provisions of the trailer bill that overturn recent case law, handing DWR the power to issue debt pledged by the State General Fund with the expectation that the Contractors will be able to raise revenue from their ratepayers sufficient to cover their share of the bi-annual debt service ultimately begs the question as to how many rate increases will be needed and how often Southern Californians should expect to see them. The documents filed by DWR in court authorize DWR to bill contracts even without the project being complete – meaning if the project fails, ratepayers are still on the hook for any money DWR borrows under this bill too.

What if local agencies' increases are subject to voter approval? What will happen if voters do not approve an increase, or multiple increases? Further, if it is annual debt payments, is it reasonable to assume that local water agencies may have to do multiple rate increases to meet debt service? There is no limit in this measure on how many rate increases and for what dollar amount DWR will be empowered to pass on to contracting agencies. Should a local agency be unable to make their portion of the debt service, the State General Fund will be the financial backstop. How will this affect the State's ability to secure debt for other projects and programs? There is no single

bond in California's history that was \$20 billion. It is inevitable that the debt pledged by the General Fund for this project will absorb bonding and debt service to the extent individual contracting agencies cannot raise rates.

At a time when the Legislature is focused on affordability, we are handing a Department not accountable directly to voters the ability to raise water rates for every household in the Southland, with no limit in sight. This is discordant with voter sentiment and the affordability tenets that this Legislature has prioritized.

Fast-tracking the Delta Tunnel and interfering with the Bay-Delta Plan through the budget trailer bills is not only fiscally irresponsible—it is undemocratic. With a starting estimate of \$20.1 billion, the Delta Tunnel could cost California taxpayers upward of \$60 billion after inflation, tariffs, and other costs. Proposed trailer bill language would essentially grant DWR a blank check while simultaneously disincentivizing investments in more sustainable practices. Using the budget process to force through major policy changes deprives Californians, including frontline Delta and Tribal communities, of their right to participate in decisions that affect their health, water, and cultural survival. These actions violate the spirit of transparent, inclusive governance and counter California's environmental justice and climate equity goals.

We urge the Legislature to reject the Delta Tunnel and Bay-Delta Plan trailer bills and insist that any proposal of this magnitude move through the regular legislative process, with full hearings, expert testimony, Tribal consultation, and meaningful public input. Californians deserve a climate-smart water policy, ecologically responsible, and accountable to the communities it impacts, not shortcuts that favor the powerful few at the expense of the many.

Sincerely,

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CoFounder
CactusToCloud Institute

Susan Jordan
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California Coastal Protection Network

Bill Wells
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Nick Jensen
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CEO
Greater Stockton Chamber of Commerce