



Solve the Water Crisis: Local Chamber Letter to Legislators

November 10, 2022

Dear Members of the California State Legislature,

As local chambers of commerce from various regions across the state, we are writing to express our significant and growing concern over California's ongoing water supply crisis. The economic, social, and public health impacts of perpetual water supply uncertainty and repeated shortages are being felt in our communities, and affect every part of the State. Without an immediate statewide and comprehensive solution, these impacts will only continue to worsen. There needs to be a major effort by our elected officials to significantly upgrade our existing statewide water infrastructure.

Climate change has severely impacted the ability of our water supply system to meet the current and future needs of the State. The water system can no longer capture the water that is necessary, it can no longer transport reliable and sufficient supplies of water to our communities, and the operations of the water system are failing to achieve the state's water supply and environmental goals. Lack of a serious commitment to address these issues has resulted in consequences that are irreversible in some circumstances and stand to be catastrophic on our state's economy.

Consequences of Inaction

California's water supply crisis is growing month after month, with [projections of a fourth year of historic drought on the horizon](#). The time is now for California policymakers to establish an immediate path forward to address this perpetual and systemic water supply crisis. **The consequences of continued inaction have proven to be widespread and significant, impacting all aspects of California including:**

- Job losses, particularly in the agriculture industry
- Food security jeopardized
- Impacts on statewide energy supplies
- Increased water costs
- Urgent new housing development stalled
- Decline in business confidence and reduced investment in California
- Decline in recreational activities
- Decrease in statewide tourism
- Increased stress on ecosystems and habitats

Economic Disruptions

As the 5th largest economy in the world and a growing population of nearly 40 million people, California can no longer afford to repeat the same mistakes. The economic disruptions have been and will continue to be substantial, including:

- According to a 2022 [UC Merced study](#), the drought in 2021 cost California’s agriculture sector about \$1.1 billion.
- According to the same [UC Merced Study](#), once the effects on other economic sectors are considered, total impacts are estimated at \$1.7 billion and 14,634 full- and part-time jobs lost.
- According to a 2022 [UC Davis study](#), 2022 drought impacts are likely to cause an economic loss of \$1.315 billion in the Sacramento Valley, taken to include Butte, Colusa, Glenn, Placer, Sacramento, Sutter, Tehama, Yolo, and Yuba Counties.
- According to the [California Agricultural Water Alliance](#), the 2022 drought will cost the U.S. economy more than \$3 billion.

More Calls for Cuts and Conservation are Not Sufficient

While the State continues to call for more cuts and conservation, our local water agencies continue to do what they can with the limited water supply they have available. Conservation and modest system improvements will not be enough, bold changes are necessary and must be acted on immediately to avoid more statewide rationing and economic disruptions. Conservation is certainly an important component to an overall solution, but conservation alone will not solve this long-term crisis and is an inadequate continued policy response.

Governor Newsom’s New Water Supply Strategy

While Governor Newsom’s efforts and leadership on his new water supply strategy is a step in the right direction, we are concerned that it doesn’t go far enough. The State’s new plan claims that it will produce 6.9 million acre-feet of new water, but California needs 17 million acre-feet just to replace the loss of snowpack and runoff that have been part of a reliable water supply. This new plan is a drop in the bucket and leaves California at least 10 million acre-feet short of what is needed.

Policymakers Must Act Immediately

[According to a recent PPIC poll](#), “drought remains the dominant environmental issue for Californians.” Just as important, a majority of Californians, nearly 70 percent don’t feel that the government is doing enough to combat the drought.’ For decades the State has been proposing and planning, it is now time for big investments in four generational solutions including necessary investments in more surface and groundwater storage, inter-regional and local conveyance, creative regulatory solutions, such as voluntary agreements, and new supply such as groundwater recharge, desalination, and recycling.

More Storage

Surface and groundwater storage is essential to collect water when it is available and deliver that water when it is needed. In addition to improving existing storage, new storage will help California adapt to more extreme weather patterns and the uncertainty of climate change. California can no longer rely on the winter snowpack to provide a reliable source of water throughout the year. We need to store water when we have precipitation and deliver that water for environmental, residential, business, and agricultural use when needed.

Improved Conveyance

The State needs to modernize the system for moving water. The federal and state water projects need improved infrastructure that is not constrained by physical limitations. California has invested in

improvements for highways, bridges, airports and other critical parts of the state’s infrastructure, the state needs to rehabilitate and expand the water delivery system to improve the infrastructure that moves water throughout the state

Regulatory Certainty

The operations of California’s water system also need major improvements to provide more flexibility for environmental and water supply purposes as well as regulatory certainty for water agencies and their customers. The operational inefficiencies have resulted in curtailed water deliveries and resulted in rate increases for residential and business users. Flexibility will allow water agencies to better manage the costs of upgrading local water systems, expanded water use efficiency programs, and additional water supply needs.

New Supply

To achieve the 17 million acre-feet of water supply needed to make up for loss of snowpack, the State must also invest and prioritize new water supply sources including recycling and desalination.

California’s water supply crisis is so much more than this current drought, and California policymakers cannot continue to treat the water crisis as a temporary situation that can be “managed” primarily by imposing water conservation restrictions. If our leaders do not implement large-scale, long-term solutions to improve our water systems, the water supply crisis will continue to impact all Californians now and threaten the very future of our State.

Action Needed in 2023

We call on California’s state and local policymakers and the Newsom Administration to work with California’s experts in the water community to ***solve the water crisis***. Policy solutions must be advanced to meet the State’s present and future needs for more than 40 million Californians.

Sincerely,

Victoria Hernandez,

Executive Director



CC: Governor Newsom

Secretary Yana Garcia, CalEPA

Secretary Wade Crowfoot, Natural Resources Agency

Secretary Karen Ross, Department of Food and Ag