



One Water and Adaptation Committee

2/9/2026 One Water and Adaptation Committee Meeting

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Subject

Report on Metropolitan's State Water Project 2026 Statement of Charges and Audit

Executive Summary

On June 27, 2025, Metropolitan received the annual State Water Project (SWP) Statement of Charges (SOC) for calendar year 2026 from the Department of Water Resources (DWR). The SOC comprises Metropolitan's SWP conservation, transportation, and projected variable charges. The SOC for calendar year 2026 totals \$776 million, which is \$6 million or one percent less than the 2025 SOC. The SOC was audited by Richardson and Company (Richardson), a Certified Public Accounting firm, with whom Metropolitan has an agreement to perform the specialized contractual audit. As of the 2026 SOC audit report, Richardson has identified eighty-three outstanding findings totaling \$290 million. DWR does not agree with all of the audit findings. The largest issue in the audit findings is related to the Water System Revenue Bond (WSRB) Surcharge. Staff and Richardson have been working with DWR to resolve this extremely complex and technical issue, which impacts multiple charges, for many years. Metropolitan's impact from the multiple charges fluctuates. Staff and Richardson are continuing to collaborate with DWR to resolve the audit findings, including related to the WSRB Surcharge.

1/23/2026

Date

Brandon J. Goshi

Manager, Water Resource Management

1/23/2026

Date

Shivaji Deshmukh

General Manager