Update on California WaterFix

Imported Water Committee
October 27, 2016

Presented by: Amy Chen, Director of MWD Program
Outline

- Water Authority’s positions on Bay–Delta
- Multi-disciplinary team review of BDCP
- BCDP/California WaterFix
- Water Authority’s reduced reliance on Delta supply
- Recent activities related to California WaterFix
Bay–Delta’s Relevance to Water Authority

State Water Project (Bay-Delta)

Sacramento–San Joaquin Bay–Delta

Local Supplies and Conservation

Colorado River
Bay Delta and the Water Authority

- Water Authority supports a sustainable Bay–Delta solution
- 2009 Delta Reform Act
- 2012 Delta Policy principles
- Multi-disciplinary team review of BDCP
- Board took no position on BDCP: lack of key information
Reductions in MWD Purchases – Sole Source of Bay Delta Water

- 1990: 672,800 AF
- 2016: 187,000 AF
  - 72% less than 1990
- 2035: 88,000 AF
  - 87% less than 1990
Activities Impacting California WaterFix

- Change of permitting schemes from ESA Section 10 to Section 7
  - Reduced supply certainty

- Invalidation of Delta Stewardship Council’s Delta Plan
  - Lacked “quantified or otherwise measurable targets”

- State Water Resources Control Board
  - Water rights proceeding: Changes in Points of Diversion – may impact export yields
Activities Impacting California WaterFix (cont.)

- Economic analysis:
  - Sept 2016 – AP News on draft economic analysis prepared for CNRA
  - Emails from PRA discussing additional tasks

- Water Code 85089 requires water contractors to pay new conveyance facilities
Activities Impacting California WaterFix (cont.)

- Audits on planning costs occurring at both federal and state sides
- MWD’s willingness to front costs without securing other beneficiaries’ financial commitment
  - Delta Wetlands purchase
- Fitch downgraded Westlands’ Oct 26 bond sale
  - “Public reports now estimate the district’s share of future costs of the California Fix at $2.5 billion... Significant further leverage by the district in support of the California Fix could apply downward pressure to the ratings.”
Water Authority Delegates Advocacy at MWD

- Made clear Water Authority has no interest in speculative water ventures
  - 2015 IRP: WaterFix “could also create opportunities for new markets and partnerships”

- WaterFix cost allocation
  - Cost allocation status
  - Efforts to discuss how WaterFix would be allocated among member agencies

**Angry words over unanswered questions on California tunnels**

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Unanswered Questions

1. How big does the project need to be?
2. How much water will San Diego get?
3. How much will it ultimately cost? (current est. is $25B)
4. What is San Diego’s cost obligation?
5. Who is going to commit to pay for it?
6. How will Water Authority ratepayers be protected from paying disproportionate share of costs?
7. Will the costs to San Diego ratepayers negatively impact local supply development?