New IRWM MOU & Professional Services Contract

Water Planning Committee
September 22, 2011
San Diego IRWM Program

Regional Water Management Group
- San Diego County Water Authority representing 24 member agencies
- City of San Diego
- County of San Diego representing 21 Copermittees

Regional Advisory Committee
29 agencies and organizations, some with statutory authority over water management

Workgroups
focused on specific water resources topics

Tri-County FACC
- San Diego
- Upper Santa Margarita
- South Orange County

Interested Parties and Members of the Public
2011 IRWM report card

- San Diego IRWM Program major accomplishments
  - First San Diego IRWM Plan (2007)
  - Plan accepted by DWR (2009)
  - 3 grants, $33.9 million, from DWR
IRWM MOUs

- First MOU signed 2005, establishing Regional Water Management Group
  - Members: Water Authority, City of San Diego, County
- Second MOU signed 2009
  - Working relationship between 3 partners
  - Role of Regional Advisory Committee
  - Funding commitment
- Funding used to obtain consultant support
- Remaining Prop 84 funding for region
  - $56 million, for project implementation
New IRWM MOU

- New MOU
  - Replaces 2009 MOU
  - 5-year commitment by 3 partners
  - $1.47 million over 5 years
  - $490,000 per partner
  - $98,000 per partner per year

- Five components
  - General grant obligations
  - Plan Update
  - Grant contract administration
  - Role of the RAC
  - Funding, to obtain consultant support services
New consultant for IRWM Program

- Consultant selection process
  - Consultants allowed to submit on 1 or more portions of RFP
  - Selection panel represented RWMG and RAC
- Recommend hiring RMC Water and Environment
  - Proven track record of success statewide
  - Diverse, well-qualified team
New consultant for IRWM Program

- 3-year contract
  - IRWM Plan Update
  - 4 studies that support plan
  - Up to 2 grant applications
  - Support for RWMG and RAC
  - Public outreach

- Contract amount: $1,534,930 million

- 2 funding sources:
  - $1 million planning grant
  - $534,930 from MOU
Staff recommendations

1A. Approve MOU with City of San Diego and County of San Diego for implementation of IRWM Plan activities

1B. Approve professional services contract with RMC Water and Environment for IRWM Program services and plan update in the amount of $1,534,930
Presentation on
Series 2011B
Refunding Bond Transaction

September 22, 2011
Series 2011B – In Brief

• Series 2011B summary
  – Par amount Issued $94.5 million
    ➢ Par amount refunded – $98.4 million
  – Average life – 15.1 years
  – All-in interest cost – 3.8%
  – PV of savings – $5.2 million
    – 5.3% of refunded par

• Debt service savings of Series 2011A & 2011B
  – Total PV savings of $18.7 million
  – Budget period savings of $2.3 million
    – FY 2012 – $1.0 million
    – FY 2013 – $1.3 million
### Sources and Uses of Funds

**Series 2011B Refunding**

**SOURCES:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond Proceeds:</td>
<td></td>
</tr>
<tr>
<td>Par Amount</td>
<td>94,540,000.00</td>
</tr>
<tr>
<td>Net Premium</td>
<td>12,864,987.15</td>
</tr>
<tr>
<td>Transfers from Prior Debt Service Funds</td>
<td>2,068,838.54</td>
</tr>
<tr>
<td><strong>Total Sources</strong></td>
<td><strong>109,473,825.69</strong></td>
</tr>
</tbody>
</table>

**USES:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refunding Escrow Deposit</td>
<td>108,908,818.73</td>
</tr>
<tr>
<td>Cost of Issuance and Underwriter's Discount</td>
<td>559,679.98</td>
</tr>
<tr>
<td>Additional Proceeds</td>
<td>5,326.98</td>
</tr>
<tr>
<td><strong>Total Uses</strong></td>
<td><strong>109,473,825.69</strong></td>
</tr>
</tbody>
</table>

- Refunded $62,085,000 of the Series 2002A bonds and $36,290,000 of the Series 2004A bonds
- Priced on September 7, 2011
- Bank of America Merrill Lynch led the negotiated transaction and underwrote significant amounts of the 2028 and 2029 maturities
- Gross debt service savings of $7.62 million
# 2011B Bonds

## Summary of Buyers by Firm and Type

<table>
<thead>
<tr>
<th>Investor Name</th>
<th>Investor Type</th>
<th>Orders</th>
<th>Allotments</th>
<th>Allotments as % of Bonds Offered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alliance Capital Management</td>
<td>Asset Manager</td>
<td>10,000</td>
<td>10,000</td>
<td>10.6%</td>
</tr>
<tr>
<td>Appleton</td>
<td>Bond Fund / Money Manager</td>
<td>5,000</td>
<td>1,600</td>
<td>1.7%</td>
</tr>
<tr>
<td>Bessemer Trust</td>
<td>Retail / Trust</td>
<td>3,000</td>
<td>2,500</td>
<td>2.6%</td>
</tr>
<tr>
<td>Blackrock Financial</td>
<td>Bond Fund / Money Manager</td>
<td>4,120</td>
<td>2,560</td>
<td>2.7%</td>
</tr>
<tr>
<td>Boston Company</td>
<td>Bond Fund / Money Manager</td>
<td>3,000</td>
<td>1,300</td>
<td>1.4%</td>
</tr>
<tr>
<td>Breckinridge</td>
<td>Bond Fund / Money Manager</td>
<td>1,200</td>
<td>1,000</td>
<td>1.1%</td>
</tr>
<tr>
<td>Casmire</td>
<td>Arbitrage Account</td>
<td>1,000</td>
<td>500</td>
<td>0.5%</td>
</tr>
<tr>
<td>Conning &amp; Co</td>
<td>Bond Fund / Money Manager</td>
<td>2,000</td>
<td>1,000</td>
<td>1.1%</td>
</tr>
<tr>
<td>Gannet Welsh Kotler</td>
<td>Bond Fund / Money Manager</td>
<td>4,865</td>
<td>4,760</td>
<td>5.0%</td>
</tr>
<tr>
<td>Merrill Lynch</td>
<td>Propriety Fund</td>
<td>7,000</td>
<td>6,815</td>
<td>7.2%</td>
</tr>
<tr>
<td>Northern Trust</td>
<td>Retail / Trust</td>
<td>15,000</td>
<td>7,500</td>
<td>7.9%</td>
</tr>
<tr>
<td>PIMCO</td>
<td>Bond Fund / Money Manager</td>
<td>3,000</td>
<td>3,000</td>
<td>3.2%</td>
</tr>
<tr>
<td>Scudders</td>
<td>Bond Fund / Money Manager</td>
<td>10,000</td>
<td>5,000</td>
<td>5.3%</td>
</tr>
<tr>
<td>Standish, Ayer &amp; Wood</td>
<td>Bond Fund / Money Manager</td>
<td>15,910</td>
<td>14,230</td>
<td>15.1%</td>
</tr>
<tr>
<td>Vanguard Group</td>
<td>Bond Fund / Money Manager</td>
<td>10,000</td>
<td>9,700</td>
<td>10.3%</td>
</tr>
<tr>
<td>Wilmington Trust</td>
<td>Retail / Trust</td>
<td>3,000</td>
<td>2,000</td>
<td>2.1%</td>
</tr>
<tr>
<td><strong>Total Institutional Orders</strong></td>
<td></td>
<td>98,095</td>
<td>73,465</td>
<td>77.7%</td>
</tr>
<tr>
<td><strong>Individual Retail Orders</strong></td>
<td></td>
<td>8,545</td>
<td>6,500</td>
<td>6.9%</td>
</tr>
<tr>
<td><strong>Syndicate Stock Orders</strong></td>
<td></td>
<td>18,000</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total at Verbal Award</strong></td>
<td></td>
<td>124,640</td>
<td>79,965</td>
<td>84.6%</td>
</tr>
<tr>
<td><strong>Underwritten Balance</strong></td>
<td></td>
<td>-</td>
<td>14,575</td>
<td>15.4%</td>
</tr>
<tr>
<td><strong>Total Bonds Offered</strong></td>
<td></td>
<td>94,540</td>
<td>100.0%</td>
<td></td>
</tr>
</tbody>
</table>

* Dollars in millions

Yellow highlighting denotes new investors of the San Diego County Water Authority's bonds.
2012 Fixed charge allocations

- Allocations adopted by Board in June 2011
- Minor revisions required to correct for:
  - Tijuana Deliveries
  - Manual miscellaneous adjustments
- Affects the allocation of Storage, Customer Service and Readiness to Serve charges
  - Total of each fixed charge does not change
  - Otay and Oceanside were over allocated
  - Minor impacts to remaining agencies (most less than 0.1%)
2012 Fixed charge allocations

- The RTS was billed for July and August 2011
  - Correction to occur on September billing
- Storage and Customer Service charges will be revised
  - These charges are effective January 1, 2012
  - Not yet billed
- No change to the total charge (just re-allocated)
- Presented to Finance Officers on September 1
- Presented to General Managers on September 13
Controller’s Report
June 2011 – 24 Month

Administrative & Finance Committee
September 22, 2011
Report Format

Main Staff Report: Budget Variance Analysis and Discussion

**Attachments**
A: Water Sales Volumes (Acre-Feet)
B: Water Sales Revenues (Dollars)
C: Water Purchases & Treatment Costs (Dollars)
D: Multi-Year Budget Status Report (Actuals)
E: Operating Department (2 Charts)
   E1: Two-Year Amended Budget (Dollars)
   E2: Expenditures (Dollars)
F: Schedule of Cash & Investments
WATER SALES VOLUMES
Budget Versus Actual (in Acre-Feet)
for the 24 Months Ended June 30, 2011

Difference
-294K AF
-24%

1,240,481
910,340 AF
WATER SALES REVENUES
Budget Versus Actual (in Millions $)
for the 24 Months Ended June 30, 2011

Difference -194K AF -20%

$964.3

$770.8
WATER PURCHASES AND TREATMENT COSTS
Budget Versus Actual (in Millions $)
for the 24 Months Ended June 30, 2011

Difference
-168K AF
-23%

Budget (a)  Actual
## Net Water Sales Revenue

<table>
<thead>
<tr>
<th></th>
<th>[A]</th>
<th>[B]</th>
<th>[B / A]</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 10 &amp; 11 Actual</td>
<td>Two-Year Amended Budget</td>
<td>FY 10 &amp; 11 Actual Period-to-Date Amended Budget</td>
<td></td>
</tr>
<tr>
<td><strong>Net Water Sales Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water sales</td>
<td>$ 964,292,000</td>
<td>$ 770,793,254</td>
<td>$ (193,498,746) 80%</td>
</tr>
<tr>
<td>Water purchases &amp; treatment</td>
<td>(736,432,000)</td>
<td>(568,846,924)</td>
<td>167,585,076 77%</td>
</tr>
<tr>
<td>Total Net Water Sales Revenue</td>
<td>$ 227,860,000</td>
<td>$ 201,946,330</td>
<td>$ (25,913,670) 89%</td>
</tr>
</tbody>
</table>
## Attachment E1 & E2
### Operating Departments

<table>
<thead>
<tr>
<th>[A] FY 10 &amp; 11 Two-Year Amended Budget</th>
<th>[B] FY 10 &amp; 11 Actual 24 Months Period-to-Date Actual</th>
<th>Variance with Period-to-Date Amended Budget Positive (Negative)</th>
<th>[B / A] % Actual/Amended Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Services</td>
<td>$ 11,019,018</td>
<td>$ 10,542,314</td>
<td>$ 476,704 96%</td>
</tr>
<tr>
<td>Colorado River Program</td>
<td>2,880,763</td>
<td>2,137,924</td>
<td>742,839 74%</td>
</tr>
<tr>
<td>Engineering</td>
<td>1,786,459</td>
<td>1,441,402</td>
<td>345,057 81%</td>
</tr>
<tr>
<td>Finance</td>
<td>4,731,650</td>
<td>4,195,732</td>
<td>535,918 89%</td>
</tr>
<tr>
<td>General Counsel</td>
<td>5,481,425</td>
<td>4,547,774</td>
<td>933,651 83%</td>
</tr>
<tr>
<td>General Manager/Board of Directors</td>
<td>5,183,340</td>
<td>4,901,303</td>
<td>282,037 95%</td>
</tr>
<tr>
<td>Human Resources</td>
<td>2,312,837</td>
<td>2,015,544</td>
<td>297,293 87%</td>
</tr>
<tr>
<td>MWD Program</td>
<td>2,859,859</td>
<td>2,539,222</td>
<td>320,637 89%</td>
</tr>
<tr>
<td>Operations &amp; Maintenance</td>
<td>28,654,538</td>
<td>25,758,752</td>
<td>2,895,786 90%</td>
</tr>
<tr>
<td>Public Affairs</td>
<td>4,275,932</td>
<td>4,061,276</td>
<td>214,656 95%</td>
</tr>
<tr>
<td>Right of Way</td>
<td>5,704,234</td>
<td>4,909,208</td>
<td>795,026 86%</td>
</tr>
<tr>
<td>Water Conservation Program</td>
<td>10,216,662</td>
<td>4,526,683</td>
<td>5,689,979 44%</td>
</tr>
<tr>
<td>Water Resources</td>
<td>9,344,098</td>
<td>9,196,726</td>
<td>147,372 98%</td>
</tr>
<tr>
<td><strong>Total Operating Departments/Programs</strong></td>
<td><strong>$ 94,450,815</strong></td>
<td><strong>$ 80,773,860</strong></td>
<td><strong>$ 13,676,955 86%</strong></td>
</tr>
</tbody>
</table>
Amendment to OMWD Treated Water Services Agreement

E&O Committee Meeting
September 22, 2011

Gary Eaton, Director of Operations & Maintenance
Existing Agreement

- Board approved agreement in December 2002
- Expansion of OMWD’s David C. McCollum WTP from 25 – 34 Mgd
- Water Authority construction of $1.1 M of CIP funded facilities (OMWD share approximately $808,000)
- Water Authority to purchase 130,000 acre-feet of treated water from OMWD over 10 year period
- Water Authority costs paid back in form of discount ($8.17 per acre-foot) from MWD’s treated water rate
Performance to Date

- Treated water deliveries begin March 2004
- Approximately 24,000 acre-feet delivered (18%)
- Recovered $200,000 of capital cost owed
- Delivery shortfalls
  - OMWD treatment plant disruptions
  - Lower regional treated water demands
  - Increased OMWD treated water demands
- OMWD increased treated water delivery during this past year
Amendment to Agreement

- Increased discount rate to $61.52 per acre-foot of treated water delivered
- OMWD revised monthly water delivery schedule
- Contract termination date was not extended
- OMWD payment for undelivered water each year
- Added provisions for operating requirements (MWD meter minimum, regional water quality constraints, Twin Oaks Water Treatment Plant minimum flows)
- Approved by OMWD Board of Directors
Staff Recommendation

Authorize the General Manager to amend the ten-year Water Purchase Agreement from the Olivenhain Municipal Water District’s David C. McCollum Water Treatment Plant, increasing the Water Authority’s discount rate from $8.17 to $61.52 per acre-foot of treated water supplied.
Marina Access Road
Dam Raise
RCC Placement
RCC Quantities

Original RCC Quantity: 620,000 CY

Increase (5%): 30,000 CY

Revised RCC Quantity: 650,000 CY
### Authorization For Approval

**RCC Components (30,000 CY)**

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excavation</td>
<td>$350,000</td>
</tr>
<tr>
<td>RCC Mix/Convey/Place</td>
<td>$990,000</td>
</tr>
<tr>
<td>RCC Grout</td>
<td>$84,000</td>
</tr>
<tr>
<td>Contraction Joints</td>
<td>$52,000</td>
</tr>
<tr>
<td><strong>Total Authorization</strong></td>
<td><strong>$1,476,000</strong></td>
</tr>
</tbody>
</table>
Change Order Percentage

Original Contract Value: $140,206,050

Increases to Date: $2,247,171

New Contract Amount: $142,453,221

Increase: 1.6%
Recommendation

Authorize the General Manager to execute a change order for up to $1,476,000 to increase the quantity of RCC to fill foundation areas where unsuitable foundation material was removed, increasing the contract amount from $140,977,220.70 to $142,453,220.70.
Power Outage Event

E&O Committee Meeting
September 22, 2011

Gary Eaton, Director of Operations & Maintenance
Blackout Event

- Blackout occurred 3:40 pm
- Impacting SDG&E service area, southern Orange County, parts of Riverside County, Imperial Valley, portions of Arizona and Baja California
- 6 M total impacted, 1.4 M SDG&E customers
- San Diego estimated $100 M cost
Blackout Event (continued)

• Aqueduct system lost communication & power ("blind")
  • TOVWTP, Escondido Operations Center transferred to backup power generation, business systems off-line
• Rancho Penasquitos and Lake Hodges power generation tripped off-line
Emergency Response Activities

- Activated SDCWA EOC 3:50 pm
- Approximately 60 SDCWA staff involved
- Staff dispatched for damage assessment
- Situation status developed w/member agencies
- Dispatched crews to key facilities to monitor flows
- Dispatched staff to County EOC
**Emergency Response Activities (continued)**

- Dispatched generator fuel crew (burn rate tracked)
- Initiated 24 manual flow changes
- Initiated two reverse 911 calls to staff (93% effective)
- Power restored 03:25 am to 95% of aqueduct system
- County EOC closed down 04:00, SDCWA at 08:00
Lessons Learned

- Can operate aqueduct manually
- Hodges shutdown/restart per procedure
- Web EOC – increasingly valuable communications tool
- Increased communication via social networking sites
- Interagency radios provide backup communication
Lessons Learned (continued)

• Generator maintenance critical (belts, hoses)
• Traffic impact on response times a key factor
• Coordinate regional water conservation messages
• Know fuel burn rate at each site under varying loads
• Vehicle GPS provides crew location information
Follow up

- Emergency generation (load checks, maintenance)
- Member agency operator access & flow change training
- Combined Op Head and WAEC debrief/training
- Interagency radio program review
- Evaluation of additional fuel station contracts
Follow up (continued)

- Communications review (Reverse 911, Twitter, Web EOC)
- Renew emphasis on staff emergency preparedness:
  - 72-hour preparedness plans and supplies
  - Notification process and contact information
  - Develop “Go Kits” for vehicles
Legislative Update

Legislation, Conservation & Outreach Committee

September 22, 2011
SB 759 (Lieu) Common Interest Developments: artificial turf

- Would prohibit HOA’s from prohibiting the use of artificial turf
- Vetoed
Support

**AB 275** (Solorio) Rainwater Capture Act of 2011

- Authorizes landowners to install and operate rain barrel systems
- Passed Legislature; to Governor
Support

**SB 215** (Huff) Invasive Aquatic Species: mussels

- Extends by five years the existing statute that authorizes DFG to take actions to prevent the spread of mussels
- Extends statute to January 1, 2017
- Passed Legislature; to Governor
Support

SB 328 (Kehoe) Eminent Domain: conservation easements

- Establishes procedures for informing the holders of conservation easements of condemnation proceedings
- Passed Legislature; to Governor
Support, and seek amendments

SB 607 (Walters) Brackish Groundwater Treatment

- Would require the SWRCB to amend the Ocean Plan to address the discharge of wastewater resulting from the treatment of brackish groundwater for potable use
- Signed by Governor
**AB 134** (Dickinson) Appropriation of Water: Sacramento Regional County Sanitation District

- Allows Sac Regional to claim water right in its wastewater stream
- Signed by Governor
- **Neutral** (Original position: Oppose)
- Bill was amended to address Water Authority concerns
**AB 685** (Eng) State water policy: regional water management planning

- Establishes “human right” to clean, safe, affordable water as a state policy
- Requires state agencies to “implement” policy in their actions
- No position; staff directed to seek amendments
- Held on Suspense File
Small Contractor Outreach and Opportunities Program

The objective of SCOOP is to maximize opportunities for small businesses on Water Authority procurements.
SCOOP Program Elements

- Networking
- Training
- Reports on Procurement Achievement
SCOOP Outreach Activities

- Networking
  - 45 organizations
    - Asian Business Association
    - Hispanic Chamber
    - Women’s Construction Coalition
  - 71 events
Subs for Subs
Paths to Partnerships
Training

- Training
  - 465 attendees
  - 408 firms
- Online classes
  - Doing Business With the Water Authority
  - Registering on The Network
Teaming with Prime Consultants

Panelists
- Larry Shaw; Notte Associates, Inc.
- Christopher Dunn, P.E.; R.W. Beck
- Don MacFarlane; AECOM
- Greg Mason; HELIX Environmental
- Paul Amberg; ICF Int’l.
- Kevin Davis; Black & Veatch
- Albert Vela; URS Corp.
Number of small businesses = 44%
Dollars awarded = 41%
### SCOOP Measurements FY 2011

<table>
<thead>
<tr>
<th>Measurements</th>
<th>Total</th>
<th>% Small</th>
<th>% M/W</th>
</tr>
</thead>
<tbody>
<tr>
<td>Database</td>
<td>5,832</td>
<td>40%</td>
<td>27%</td>
</tr>
<tr>
<td># Bidders</td>
<td>341</td>
<td>59%</td>
<td>27%</td>
</tr>
<tr>
<td># Firms</td>
<td>450</td>
<td>44%</td>
<td>16%</td>
</tr>
<tr>
<td>Contracts</td>
<td>81</td>
<td>37%</td>
<td>15%</td>
</tr>
<tr>
<td>$ Awarded</td>
<td>$40,862,936</td>
<td>41%</td>
<td>10%</td>
</tr>
</tbody>
</table>
Moving forward

- Work towards a 25% goal of Water Authority procurements
- Evaluate a small business preference program
- Assess revisions to bonding thresholds on small construction projects
- Develop a Clearinghouse registration system for small businesses interested in working on water agency procurements
A Delta View of the Delta

Mary Nejedly Piepho
Contra Costa County Board of Supervisors;
Chair, Transportation, Water and Infrastructure Committee
of the Board of Supervisors;
Member, Delta Counties Coalition

Prepared for the San Diego Water Authority Delta Workshop
September 22, 2011
This Delta View is from…

• Contra Costa County – we are the Delta’s western shore
• We are a keystone county common to both the Central Valley and the San Francisco Bay Area
• We are a member of the Delta Counties Coalition – a 5-County advocacy group for Contra Costa, Sacramento, San Joaquin, Solano and Yolo Counties
• The Delta isn’t just a plumbing fixture for us, it’s a way of life – we drink it, we fish it, we swim in it, we boat in it, we irrigate from it
The 2009 Delta Reform Act: Success or Failure?

- A mixed bag – some wins, some losses, and a draw
- Wins
  - Delta Protection Commission restructured to have local in-Delta board members, which we requested
  - Co-equal goals make Delta ecosystem restoration equal with reliable water supply
  - Created the Delta Investment Fund for economic sustainability
  - Acknowledged the “Delta as place” concept, at our request
- Losses
  - Created more bureaucracy
  - Allocated $28 million to the Two-Gates Project which threatens water quality in western Delta (project is on hold while multi-year smelt/turbidity studies are performed)
- Draw
  - Requires a new Delta Plan – could be good, could be bad, likely will be both
Is the BDCP on the right track?

• No – we have serious concerns…
  – Delta counties’ participation is expressly limited by the state, contrary to promises of Spring 2011
  – Schedule too tight for thorough science and consensus-building
  – BDCP asks the wrong question -- how much more water to export from the Delta. Should be asking whether there should be more exports at all, and should there be less exports
  – Proposed governance structure for the BDCP project is dominated by water exporters, very limited role for Delta jurisdictions
  – Potentially serious implications for in-Delta water quality, ecosystem health, and could hurt agricultural interests if too limited by habitat conservation mitigations
Is the BDCP considering all the right alternatives?

- No, they’re only analyzing how much Sacramento River water to divert from north of the Delta, by taking it under or around the Delta.
- Only one of the nine project alternatives does not involve diversion of water from north of the Delta.
- Should include several non-diversion, reduced-export alternatives with emphasis on storage and conservation, for a meaningful analysis.
- There is a no-project alternative, per CEQA requirements, but we’re not betting on that one.
- It’s hard to find explanations of how these particular BDCP alternatives were selected.
- Why don’t we like them? Because diversion of Sacramento River water from the Delta means the Delta mix will be more dominated by lower-quality San Joaquin River water.
- Delta jurisdictions were not consulted in creating the alternatives (even though Contra Costa County has an MOU to be a Cooperating Agency in the environmental review process).
The Delta Fix – what is it, what does it cost, and who pays?

- We don’t all agree on the Fix because we don’t all agree on the problem
- So the cost of the Fix will depend on whose Fix it is
- If there is to be a peripheral or tunnel conveyance facility, the beneficiaries must pay, including mitigations, with no harm to Delta water quality and ecosystem
- For Contra Costa County, our primary goals are to ensure high-quality water in the western Delta, protect life and property from flooding due to levee breaks, and restore the Delta ecosystem
- Here are some elements we’d like to see in a Delta Fix:
  - Reduced exports, more storage south of the Delta
  - Cease sending Central Valley salt runoff into the Delta (promote “in-Valley” disposition of salt runoff)
  - Restore natural San Joaquin River flows as much as possible all year round (expedite the San Joaquin River Restoration Program as a start)
  - Start using voter-approved bond money from Prop 1E for levee repairs
  - Have stockpiles of rocks stored on-site for levees most likely to fail
SDCWA Imported Water Committee

By Melinda Terry, Manager
North Delta Water Agency
What is NDWA?

- Approximately 300,000 acres in Legal Delta
- Water Contractor with DWR since 1981
- Agency collects an assessment from all landowners, to pay DWR, Admin and Legal
- DWR has upheld the Contract for 30 years
- Contract is in perpetuity unless both parties agree to terminate
NDWA Contract with DWR

- Provides for:
  1. “Assurance of a Dependable Water Supply (Quantity) of Suitable Quality” (Salinity)
  2. Prohibits SWP from causing decrease or increase in natural flow, or reversal of flow, or alteration of water surface elevations
  3. Requires repair of levee erosion, seepage, or diversion facility modification
BDCP Burden v. Benefit

NDWA BURDEN

- All five 3,000 cfs intakes (large urban intakes in Delta are approx. 300 cfs, avg. is 30 cfs)
- 4-story Dam (750-acre forebay)
- 15,000 cfs Intermediary Pumping Plant (possible electrical substation)
- 80,000-100,000 acres converted to habitat (1/3 of acreage in Agency, not counting mitigation of conveyance)
- Potential loss of Agency’s Assessment for habitat (DFG has NOT paid for their lands)
BDCP Burden v. Benefit cont’d

- Reduced water quality
- Increased flood risk & higher flood insurance
- Reduced property values
- ESA take exposure without protection of HCP
- Reduced mitigation lands for local projects
- Additional growth restrictions in Delta
NDWA Burden v. Benefits cont’d

NDWA BENEFITS

- NONE

“Persons in one county should NOT be compelled to subsidize, even at fair market value, the construction of a project that will entirely benefit persons in another county.” This is NOT co-equal by anyone’s definition.
BDCP Hurdles = Time & $$

- Need USACE permits for almost all BDCP Conservation Measures
- Need permit for Division of Dam Safety for the 4-story, 750-acre forebay
- Soils in location of 4-story Dam do NOT meet DDS requirements
- Need FERC permits for power to the 15,000 cfs Intermediate Pumping Plant
- Even simple HCPs normally take 10 years to permit
BDCP Hurdles cont’d

- Intermediary Pumping Plant location is a known perennially wet area of RD 551 and will become wetter when unlined forebay built
- DSC considers whether consistent with Delta Plan
- BDCP projects are covered actions under DSC, subject to appeal by “any person”
- Legal challenges can take decades (40 yrs for EBMUD/Sac County)
- COST – How much & who pays? Any of these hurdles will increase the current estimated cost
Preserving Delta As Place

- Agriculture is primary land use, existing of Prime Farmland, conversions be limited
- Require willing sellers for habitat restoration
- Uphold existing Delta Plans, Agreements, Laws, Contracts
- No re-directed or reduced level of flood protection
- Provide enforceable assurances to Delta landowners for ESA impacts and Good Neighbor Policies for lands adjacent to projects
Delta As Place cont’d

- Share ESA “take protection” in BDCP with Delta
- Compensation program and funding for third-party impacts (erosion, seepage, ESA, methylmercury, mosquitoes, etc)
- Assure “reliable water supply” for in-Delta use
- Secure endowment to pay for third-party impacts, habitat management, local government taxes/assessments
Delta Fix?

- Already begun with local water supply projects funded in SDCWA and other export areas, reducing Delta reliance
- Is solution a 20th Century Peripheral Canal, Delta Corridor improvements or future technologies not even invented yet?
- What can “beneficiaries” afford? Especially if 2012 bond delayed or voted down
Questions SDCWA should ask

- Is engineering design feasible? At what cost?
- What size canal/pipe do you need?
- What is cost of Delta water with new canal?
- When could construction of BDCP be realistically completed? 2025? 2035? 2050?
- Is BDCP a wise investment or a boondoggle?
- What is Plan B if BDCP is not permitted? Or permit conditions too costly compared to benefits received?