



**San Diego County
Water Authority**
Our Region's Trusted
Water Leader

Position Statement on California WaterFix & Updated Bay-Delta Policy Principles

Imported Water Committee
July 26, 2018

Amy Chen, Director of MWD Program

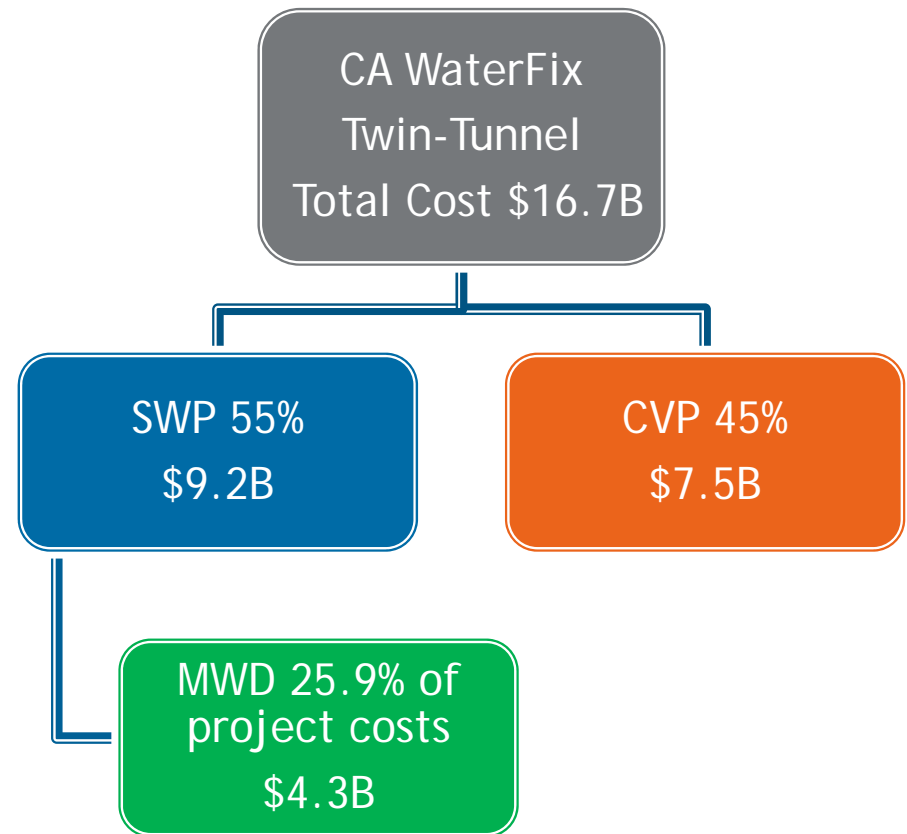
Water Authority and Bay Delta

- Long history of active support for a Bay-Delta fix
- Reduced dependency on Bay-Delta, consistent with state policy
- Adopted Bay-Delta policy in 2012
 - Supply reliability
 - Ecosystem restoration
 - Finance & funding
 - Facilities
 - Governance
- Interdisciplinary team review of BDCP
- Did not take a formal position on WaterFix



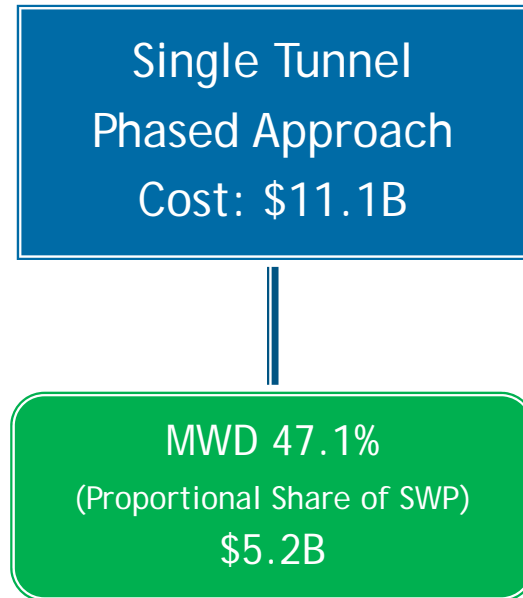
Recent MWD Board Activities

- October 2017: Supported WaterFix funding of up to 25.9% of project costs (\$4.3 billion)



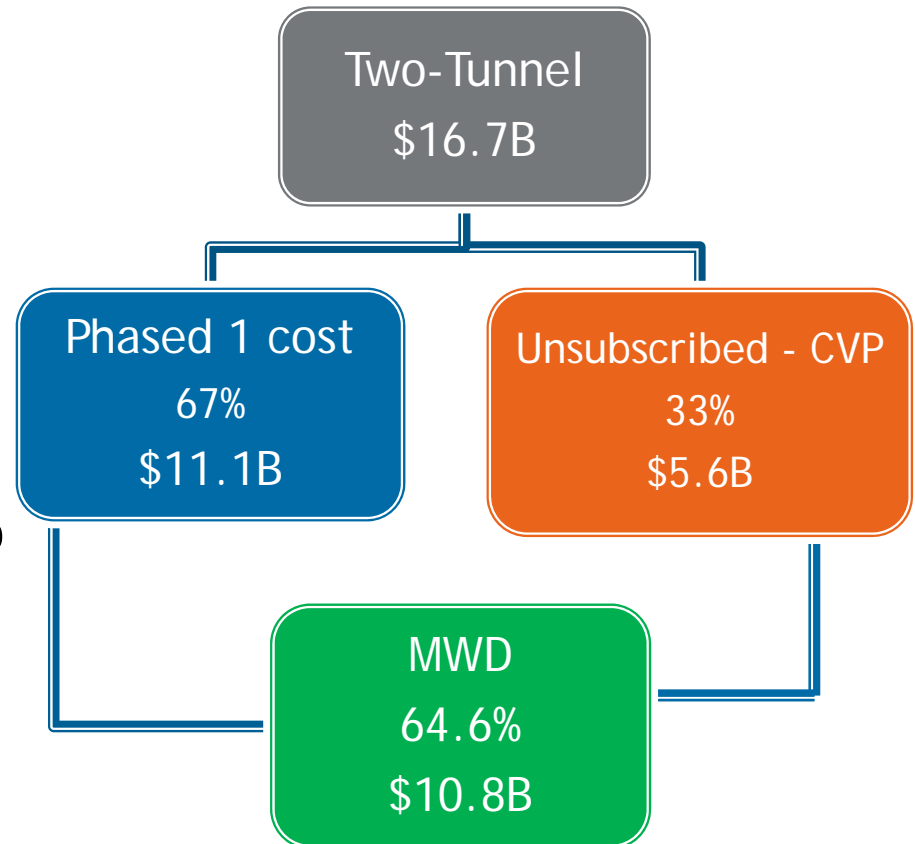
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 - Construct second tunnel when funding can be obtained



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 - Construct second tunnel when funding can be obtained
- April 2018: Increased funding to 64.6% (\$10.8 billion)
- July 2018: Rescinded April vote and re-voted to support 64.6% (\$10.8 billion)



WaterFix impacts on Water Authority's Ratepayers

- How MWD recovers WaterFix costs may uniquely impact Water Authority
- Water Authority does not derive any unique benefit from WaterFix that should cause it to pay more than other MWD member agencies

MWD assigns WaterFix Costs to	Increase in household monthly bills*
Supply	\$0.55-\$0.80
Transportation	\$13.27-\$21.07

* Based on demand forecast reset; nominal \$ based on MWD's projected share of \$10.8B (assumes no cost overruns), interest rates of 4% and 8%, single family household using 0.4 AF of Water Authority's water annually

Water Authority May Board Action

- May 2018: draft Bay-Delta policy update to address WaterFix implementation impact
 - Staff directed to develop position statement and policy principles to support current WaterFix design and construction while protecting Water Authority ratepayers



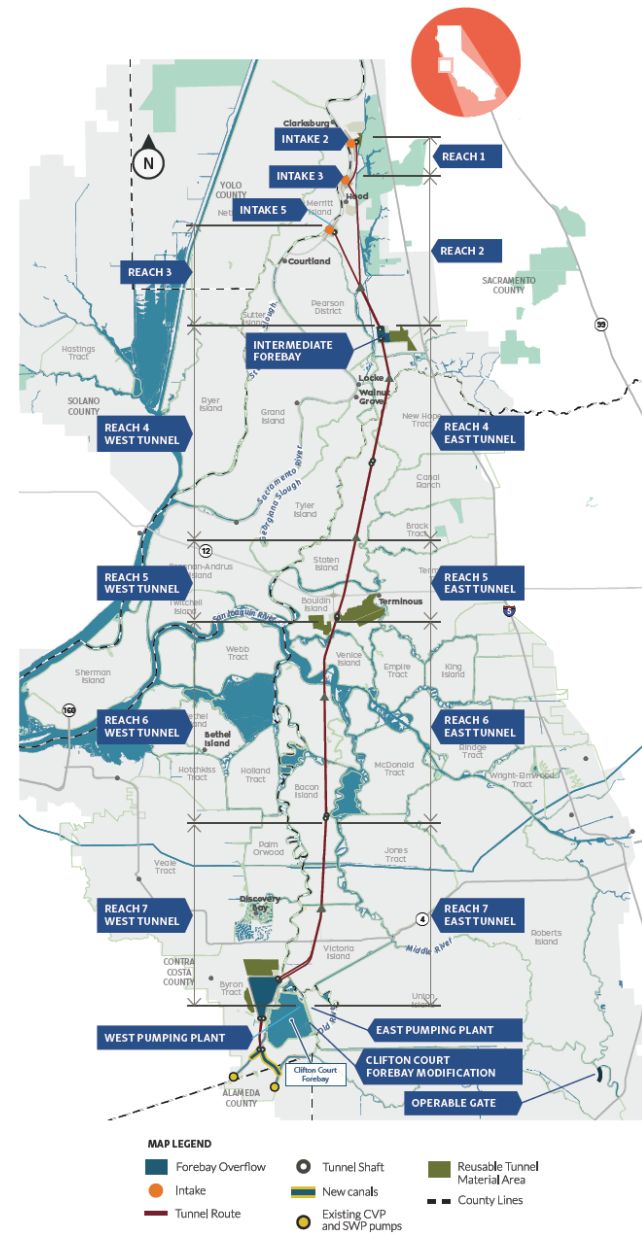
Activities between May and July

- Following Board direction, staff sought input on draft Policy Principles from member agency managers
 - Presented/discussed at member agency managers meetings June 19 and July 17
 - Emails on June 20, July 3 and July 13
 - Received input, including one written assessment
- Updated policy and position statement postponed in June to accommodate Special Board workshop
- Position statement and policy update revised this week at the suggestion of IWC Chair Weston



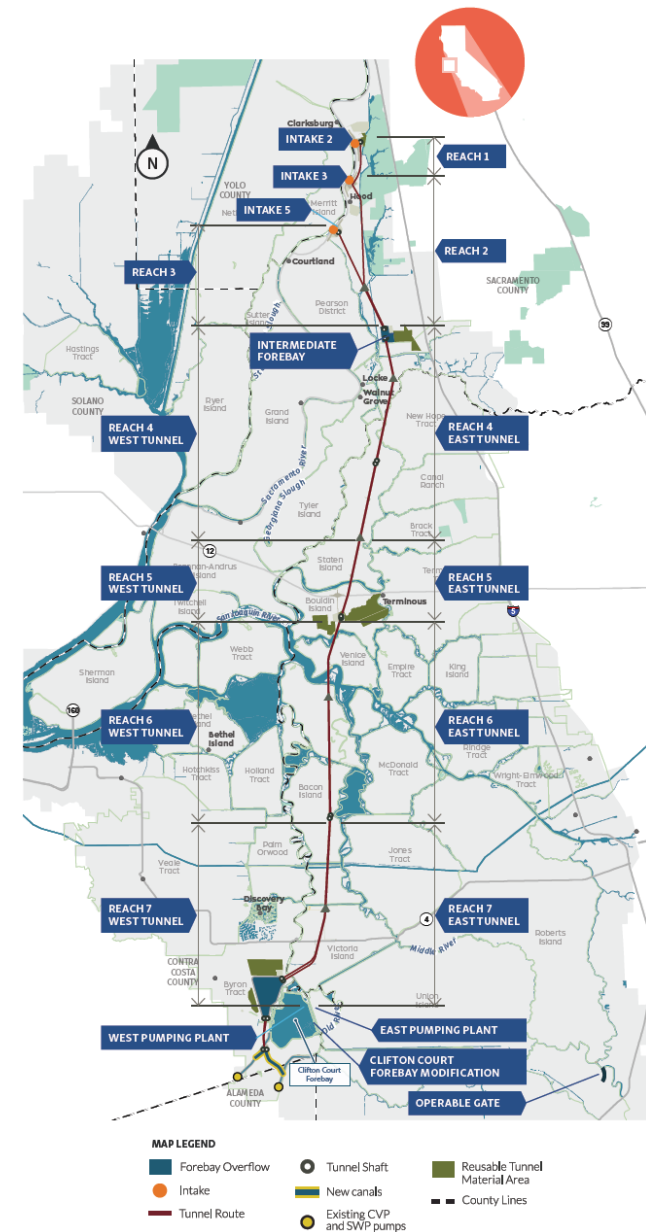
WaterFix Policy Principles

- Support current design and construction plans for WaterFix provided costs are properly allocated
- Support beneficiary pays cost allocation approach
- WaterFix costs be characterized and allocated as supply costs by MWD and DWR
- Support independent oversight function to monitor and provide regular updates on implementation progress
- Oppose actions that result in San Diego ratepayers paying for unsubscribed WaterFix costs



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Position Statement on WaterFix

- *The Water Authority Board of Directors supports the WaterFix project, as currently proposed, conditioned upon the Metropolitan Water District (MWD) allocating the costs of the project as conservation, or supply charges as similar facilities historically have been defined in MWD's SWP contract with DWR, and San Diego ratepayers not paying for unsubscribed WaterFix costs that benefit third parties*



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Staff Seeing Board Direction

- Staff is seeking Board direction on position statement and updated policy principles.

