

Update on California WaterFix

**Imported Water Committee
October 27, 2016**

Presented by: Amy Chen, Director of MWD Program

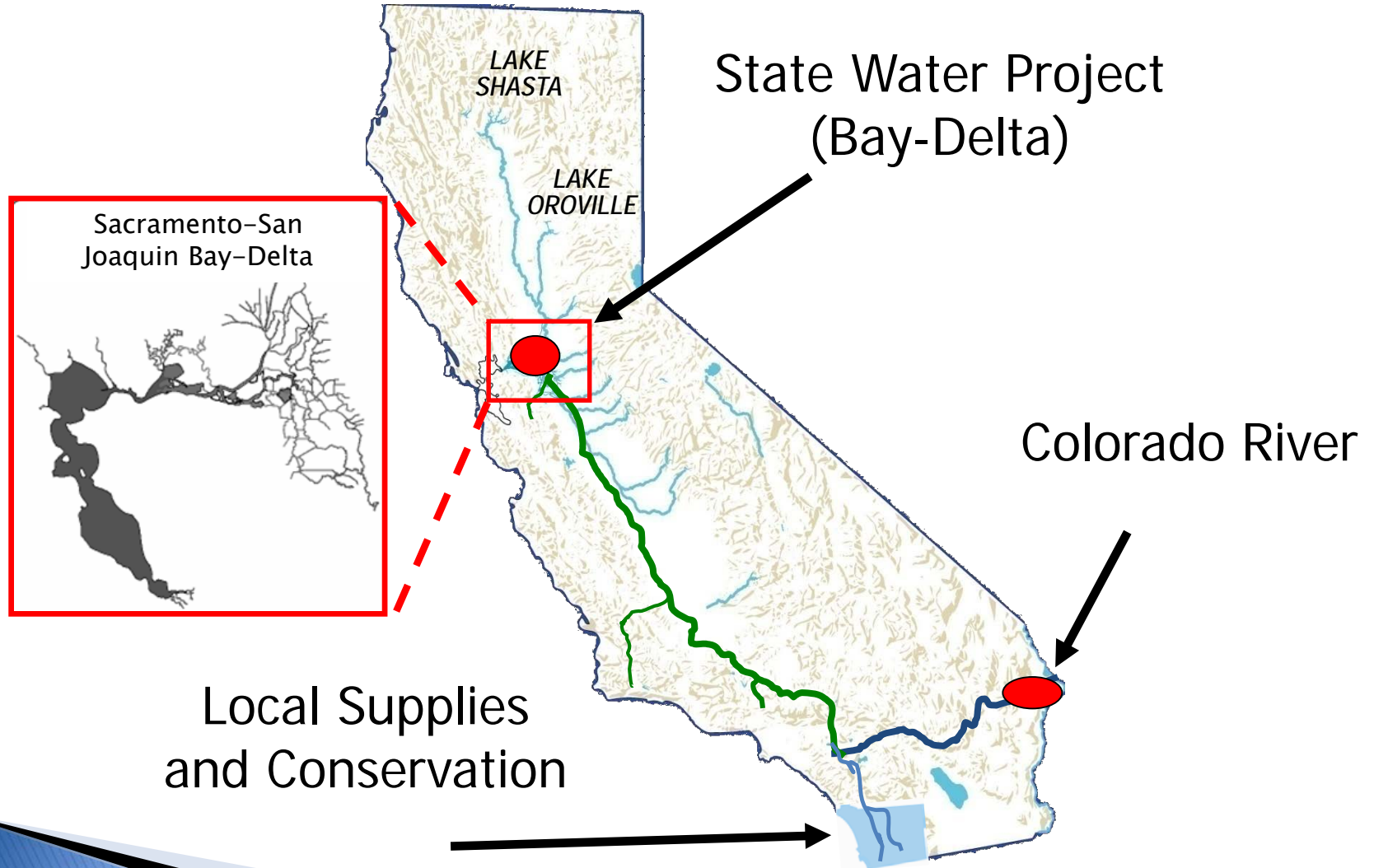


Outline

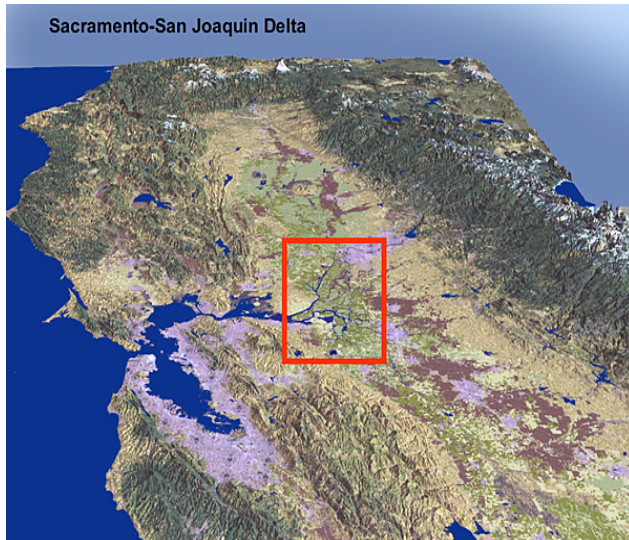
- ▶ Water Authority's positions on Bay-Delta
- ▶ Multi-disciplinary team review of BDCP
- ▶ BCDP/California WaterFix
- ▶ Water Authority's reduced reliance on Delta supply
- ▶ Recent activities related to California WaterFix



Bay-Delta's Relevance to Water Authority



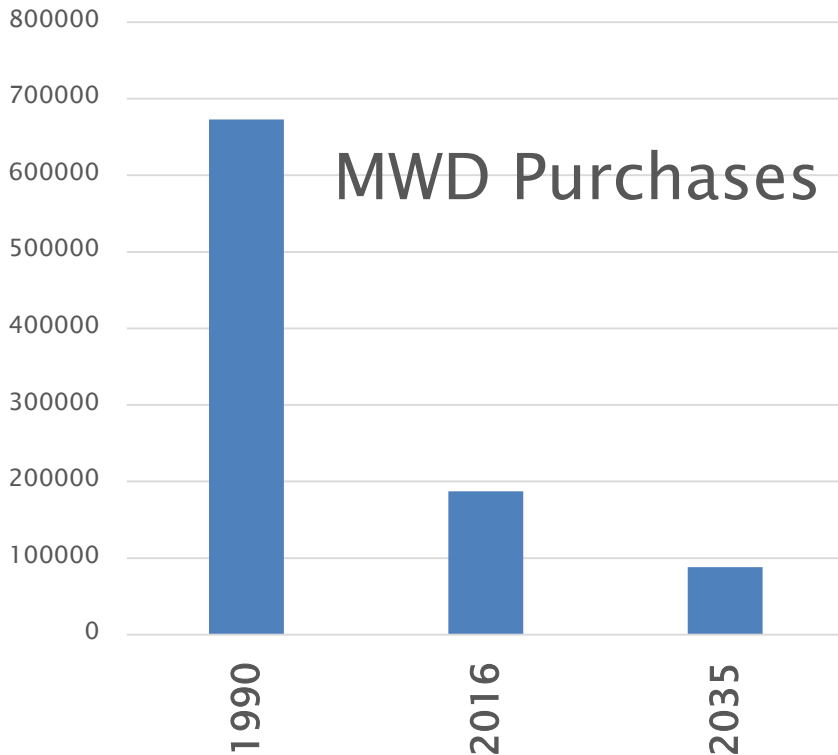
Bay Delta and the Water Authority



- ▶ 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.)

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APNewsBreak: California water tunnels would need US funding

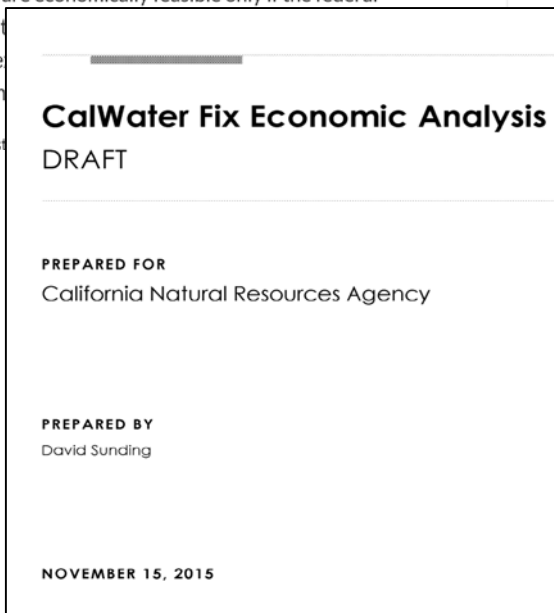
AP By ELLEN KNICKMEYER
September 14, 2016 1:55 pm



SAN FRANCISCO (AP) — Giant tunnels that Gov. Jerry Brown wants to build to haul water across California are economically feasible only if the federal

government bears a third of the cost. Some water districts may not benefit as much as others, and some were commissioned last year but not yet started.

The findings counter longstanding state



- ▶ Economic analysis:
 - Aug 2016 – Center for Business & Policy Research: Benefit–cost Analysis of California Water Fix
 - 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

NEWS

Angry words over unanswered questions on California tunnels

Oct. 12, 2016 | Updated 5:00 a.m.





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?

