



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

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News Release

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Water Authority Board Conditionally Supports WaterFix Project in Bay-Delta

Backing is contingent on proper allocation of costs

The San Diego County Water Authority's Board of Directors today unanimously gave conditional support to current plans for California WaterFix, the state's \$17 billion proposal to address water supply constraints in the Sacramento-San Joaquin Bay-Delta. The Board made its backing contingent on a project financing plan that treats San Diego County ratepayers fairly through the proper allocation of project costs by the Metropolitan Water District of Southern California, the sole source of Bay-Delta water for the San Diego region.

The updated policy principles adopted by the Board also promote independent oversight of project finances and construction progress, along with continued state ownership and operation of the State Water Project, including WaterFix facilities.

For decades, the Water Authority has actively assessed a variety of potential solutions to complex ecological and water supply issues in the Bay-Delta, the largest estuary on the West Coast and the hub of massive state and federal water projects that serve tens of millions of residents. Consistent with state policy, the Water Authority also has drastically reduced the region's reliance on water from the Bay-Delta.

While it remains uncertain how MWD will recoup its costs, the decision to build the WaterFix project has been made – by MWD and other project proponents – and the Water Authority's focus now moves to how the project will be funded.

“Critical funding questions still must be answered, and today's vote helps us work with project proponents to address them equitably,” said Mark Muir, chair of the Water Authority's Board of Directors. “Using our updated policy guidelines, we'll continue working to protect the interests of local water ratepayers as details emerge.”

The Bay-Delta is a 1,000-square-mile network of islands and waterways at the confluence of the Sacramento and San Joaquin rivers east of San Francisco Bay. It is a key water source for the state and an important ecosystem for fish and wildlife. Bay-Delta water supplies have become increasingly unreliable as deteriorating ecological conditions have led to regulatory restrictions on pumping water south. The California Legislature has long recognized the conflict, and in 2009 it established a state policy to decrease dependence on the Bay-Delta for meeting California's future water supply needs.

In keeping with state directives, the Water Authority has reduced reliance on the Bay-Delta by helping improve water-use efficiency across the region and working with its 24 member agencies to develop locally controlled, drought-resilient supplies from other sources. From 2013 to 2017, about 13 percent of the Water Authority's supplies came through the Bay-Delta via the State Water Project, which is operated by the state Department of Water Resources.

Bay-Delta water supplies are delivered to San Diego County only by MWD, which purchases the water from the state Department of Water Resources, or DWR. If MWD recoups its WaterFix costs as water supply charges – in keeping with the state's historical approach to similar projects – the Water Authority would be responsible for as little as \$73 million as retail water agencies continue to implement local supply projects that reduce Water Authority purchases from MWD.

Local costs could soar to as much as \$1.8 billion if MWD instead allocates WaterFix costs entirely on transportation charges, because the Water Authority is the only agency that uses MWD's transportation system to transport large volumes of independent water supplies.

In 2012, the Water Authority Board adopted Bay-Delta Policy Principles to guide staff in evaluating a wide range of alternative solutions and advocating on behalf of the region. The principles support the co-equal goals of ecosystem restoration and water supply reliability in a way that is comprehensive, cost-effective, environmentally sustainable, widely backed by stakeholders, and fair to Water Authority ratepayers.

The Board's updated policy principles address the current state of the project. The principles are:

1. The Water Authority Board of Directors supports the WaterFix project, as currently proposed, conditioned upon the Metropolitan Water District (MWD) properly 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.
 - As reflected in Table 2 of DWR's Appendix B to Bulletin 132-17, Data and Computation Used to Determine Water Charges, and for which costs are recovered in Article 22(a) of Delta Water Charge of the current MWD SWP Contract; allow for the exemption of north-of-Delta SWP contractors.
2. Support establishment of an independent oversight function to monitor and provide regular updates on WaterFix project implementation progress, including expenditure tracking, construction progress, project participants' contributions, and all other relevant activities and developments.
3. Continue to support the co-equal goals of water supply reliability and environmental restoration embodied in the 2009 Delta bill package.
4. Improve the ability of water-users to divert water from the Delta during wet periods, when impacts on fish and ecosystem are lower and water quality is higher.

5. Encourage the development of a statewide water transfer market that will improve water management.
6. Allow access to all SWP facilities, including WaterFix facilities, to facilitate water transfers.
7. Support improved coordination of Central Valley Project and State Water Project (SWP) operations.
8. Support continued state ownership and operation of the SWP, including WaterFix facilities, as a public resource.

For more information about the Bay-Delta, including the updated policy principles, go to www.sdcwa.org/bdcp.

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The San Diego County Water Authority sustains a \$220 billion regional economy and the quality of life for 3.3 million residents through a multi-decade water supply diversification plan, major infrastructure investments and forward-thinking policies that promote fiscal and environmental responsibility. A public agency created in 1944, the Water Authority delivers wholesale water supplies to 24 retail water providers, including cities, special districts and a military base.



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