

NORTH DELTA WATER AGENCY

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April 11, 2016

The Honorable Marc Levine, Chair
Assembly WP&W Committee
1020 N St., Room 160
Sacramento, CA 95814

SUBJECT: Support for AB 1713 (Eggman), requiring statewide initiative vote on Delta peripheral canal.

Dear Assemblyman Levine:

The North Delta Water Agency (NDWA/Agency) has adopted a support position on Assembly Bill 1713, which would require the statewide voter approval of a Delta peripheral canal water supply project, preceded by completion of an economic analysis. Created by a special act of the State Legislature in 1973, the NDWA was established to protect the water quality and availability within its 300,000 acre boundaries, and subsequently secured a contract with the CA Department of Water Resources (DWR) in 1981 for the assurance of a dependable supply of water that meets water quality criteria based on historical salinity levels.

When first initiated by a Planning Agreement in 2006, the Bay Delta Conservation Plan (BDCP) project was estimated to cost around \$3 billion, but has now escalated to approximately \$17 billion according to the California Debt and Investment Advisory Commission.¹ In addition, as originally proposed, the preparation of BDCP was in accordance with California's Natural Community Conservation Planning standards for protecting and recovering endangered species, but was abandoned by the Brown Administration in April 2015. Instead, BDCP was split into two independent water conveyance and habitat restoration projects in terms of permitting and financing: CA WaterFix and CA EcoRestore. Despite the higher project cost, the amount of water deliveries beneficiaries are projected to receive from WaterFix is less.

While the NDWA has consented to the export of water so long as the State is in compliance with the provisions of the 1981 contract, the Agency is obligated to ensure that projects such as BDCP or CA WaterFix are not designed and operated in a way that would violate the legally binding assurances provide by DWR in 1981. As a water contractor with DWR, the Agency signed the 2006 Planning Agreement to assist in the development of the BDCP by participating on a Steering Committee and also signed a Memorandum of Agreement as a Cooperating Agency

¹ Reported in constant 2012 dollars, "The Bay Delta Conveyance Facility: Affordability and Financing Considerations," prepared by Blue Sky Consulting Group, November 2014.

with the U.S. Bureau of Reclamation to address the adverse impacts that could violate the terms of the NDWA-DWR contract.

Unfortunately, the current environmental review documents for WaterFix disclose significant unavoidable (unmitigated) impacts in the Delta including depleting local groundwater supplies,² interfering with agricultural irrigation and drainage operations,³ and water quality degradation, including increases in toxic algae blooms,⁴ mercury concentrations,⁵ and salinity levels.⁶ In addition, recent disclosures about an investigation by the U.S. Interior Department's Inspector General of WaterFix's possible illegal use of federal funding and a fine recently issued by the federal Securities and Exchange Commission against Westland's Water District calls into question the fiscal integrity of the billions of dollars needed to construct and properly mitigate new water conveyance facilities in the Delta.

On a positive note, since 2006, many water districts in the Bay Area and Southern California have invested ratepayer money in local water supply projects in order to reduce their reliance on water exported from the Delta. Even during severe drought, the urban areas have recently proven they can meet water demand through their investments in conservation, reuse, and recycling projects. Future improvements in technology will most certainly make building these local water supply facilities more cost effective and allow greater local control than building a peripheral canal to import water hundreds of miles from the Delta.

In light of these significant changes over the last decade and voter concerns regarding California's long-term debt load, it seems prudent at this point to confirm statewide consumer commitment and support for a water conveyance project that has evolved since its inception and is now expected to cost more but deliver less. Voter support will provide a higher level of confidence to the State for moving forward and to Delta residents that there will be a willingness to pay for the hundreds of mitigation measures necessary to comply with the NDWA-DWR contract and to protect the Delta's unique values as required in the coequal goals adopted in the 2009 Delta Reform Act.

The NDWA requests your aye vote on AB 1713 to ensure voter confidence and support to fund the new CA WaterFix project as currently proposed is confirmed through a statewide initiative vote.

Sincerely,

Melinda Terry,
Manager

Cc: The Honorable Susan Eggman
Members of the Water, Parks & Wildlife Committee

² Recirculated Environmental Impact Report and Supplemental Environmental Impact Statement (RDEIR/SDEIS), Chapter 31, Table 31-1, GW1.

³ Ibid, GW5 and AG2.

⁴ Ibid, WQ32 and WQ 33.

⁵ Ibid, WQ14.

⁶ Ibid, WQ11.