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News Release

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Water Authority Board Endorses Governor Newsom's Water Resilience Portfolio Board conditionally backs single-tunnel Bay-Delta project depending on cost allocation

The San Diego County Water Authority's Board of Directors today unanimously supported Governor Gavin Newsom's Executive Order N-10-19, directing development of a water resilience portfolio approach that meets the needs of California's communities, economy and environment through the 21st century. That order also advanced a single-tunnel project to move water through the Sacramento-San Joaquin Bay-Delta, instead of the two-tunnel project favored by former Governor Jerry Brown.

The Water Authority Board made its backing of the single-tunnel proposal 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. 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.

"It's exciting to see Governor Newsom take this visionary approach to water resilience statewide, as we have done in our region over the past 25 years," said Water Authority Board Chair Jim Madaffer. "We are ready and willing to advance new multi-benefit solutions that support this approach.

"We also appreciate the governor rethinking the complex issues in the Bay-Delta, and we look forward to working with his staff to ensure that project costs don't disproportionately harm San Diego County residents," Madaffer said.

For decades, the Water Authority has been actively involved in discussions about 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. The Water Authority Board has long supported and advocated for a Delta fix to

resolve the challenging conflicts in the Delta that have persisted for years, while ensuring water supply reliability for millions of Californians.

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 2014 to 2018, about 11 percent of the Water Authority's supplies came through the Bay-Delta – and that figure is expected to continue declining in the years ahead.

Today's action by the Board updated a position adopted in August 2018, in which the Board gave conditional support to a proposed \$17 billion twin-tunnel Bay-Delta project if San Diego County ratepayers were treated fairly through the allocation of project costs. While the Water Authority has historically favored a portfolio approach to water resilience, the Board conditionally supported the two-tunnel project to gain a "seat at the table" on Bay-Delta issues in hopes of preventing overcharges to San Diego County residents.

The Water Authority's current support for the single-tunnel project continues to be contingent upon costs being characterized by DWR as conservation or supply charges, as similar facilities historically have been defined in MWD's State Water Project contract with DWR. Board policy continues to promote independent oversight of Bay-Delta project finances and construction progress, along with continued state ownership and operation of the State Water Project, including single-tunnel facilities.

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.

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The San Diego County Water Authority sustains a \$231 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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