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Reconciling Ecosystem & Economy

January 27, 2014 • Timothy Quinn, ACWA Executive Director

Governor Brown's State of the State

“...we will build for the future, not steal from it.”

Two key takeaways on water:

1. Deal with the crisis that is 2014
2. Invest in a comprehensive water strategy for California's future



The Drought

- + Sacramento region will be ground zero for urban impacts this year.
- + Growing list of “pockets of pain”: Willits (Mendocino County), Santa Cruz, some communities in Santa Barbara County, water-deprived communities in San Joaquin Valley
- + Common theme: areas most impacted are those that geographically depend heavily on a single watershed/source of supply



The Drought

More systematic impacts on our agricultural economy

- + 200,000 acres fallowed in Westlands Water District alone for lack of water
- + 300,000 altogether in the San Joaquin Valley
- + 500,000 acres total in the Central Valley
- + \$1.7 billion loss for farmers; \$5 billion for the ag economy

For updates on drought conditions, go to www.acwa.com

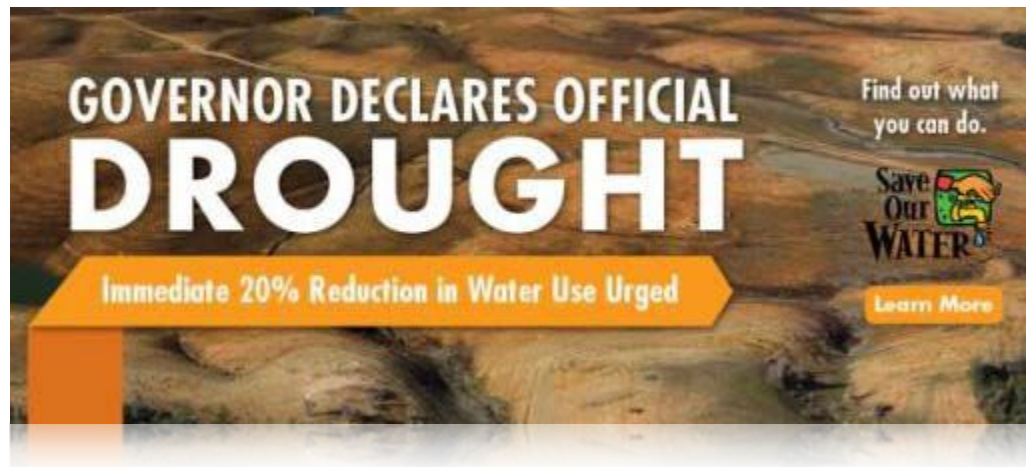


The Drought

This year, the drought will cut into the fabric of our economy in these regions.

Governor's emergency declaration, active management by local water agencies, and a conservation ethic among our citizens will get us through.

To learn what you can do go to www.saveourh2o.org.



Invest in Our Future

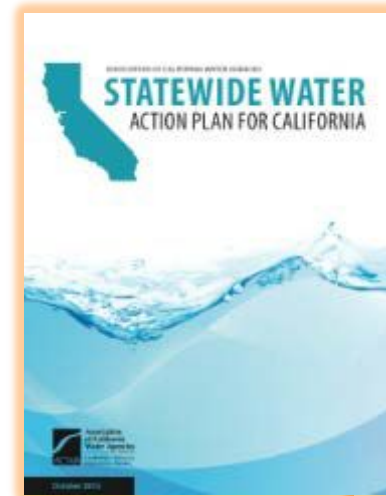
Drought makes it clear: Californians must invest in a comprehensive program to achieve the coequal goals and prepare for future droughts.



Pursuing a Comprehensive Approach



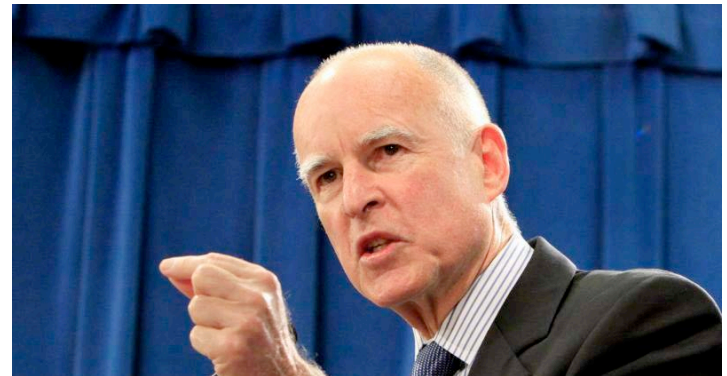
We can never agree if all we talk about is the Delta



But we can agree on a statewide water action plan

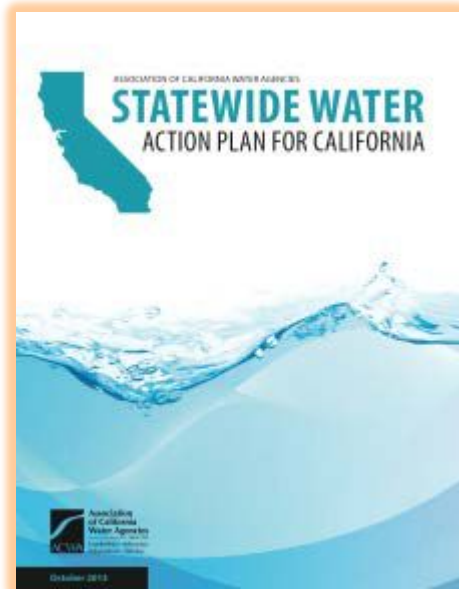
ACWA's Statewide Water Action Plan

- + Developed by broad cross-section of water interests
- + Unanimous vote by ACWA Board of Directors on Sept. 27
- + SWAP creates possibility of statewide unity on key water issues
- + Provides strong support base for statewide action by Governor Brown



ACWA's SWAP Supporters

More than 85 agencies / organizations have adopted resolutions in support.



Statewide Water Action Plan

15 Key Action Elements

- + Actions to Improve Statewide Water Supply
- + Actions to Protect Water Rights
- + Actions to Protect the Integrity of the System
- + Actions to Promote Better Stewardship



Statewide Water Action Plan

Actions to Improve Statewide Water Supply

- + Expand storage
- + Invest in WUE/ IRWMPs
- + Facilitate water transfers
- + Protect and improve water quality
- + Pass a water bond



Statewide Water Action Plan

Actions to Protect Water Rights

- + Respect area of origin commitments
- + Operational assurances: We should not plan on reservoirs going to dead pool



Statewide Water Action Plan

Actions to Protect the Integrity of the System

- + Complete a BDCP, consistent with these principles
- + Invest in levee improvements / maintenance
- + Prepare for emergencies to protect public safety
- + Improve and expand groundwater management

ADMINISTRATIVE DRAFT

**ENVIRONMENTAL IMPACT REPORT/
ENVIRONMENTAL IMPACT STATEMENT**

FOR THE

BAY DELTA CONSERVATION PLAN

PREPARED FOR:

California Department of Water Resources
U.S. Bureau of Reclamation
U.S. Fish and Wildlife Service
National Marine Fisheries Service

PREPARED BY:

ICF International
630 K Street, Suite 400
Sacramento, CA

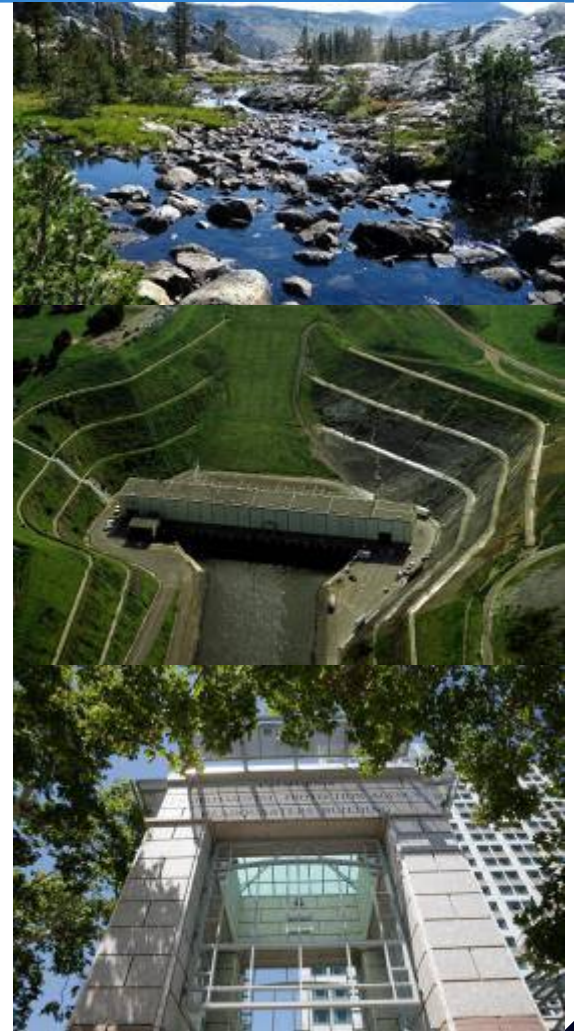
February 2012



Statewide Water Action Plan

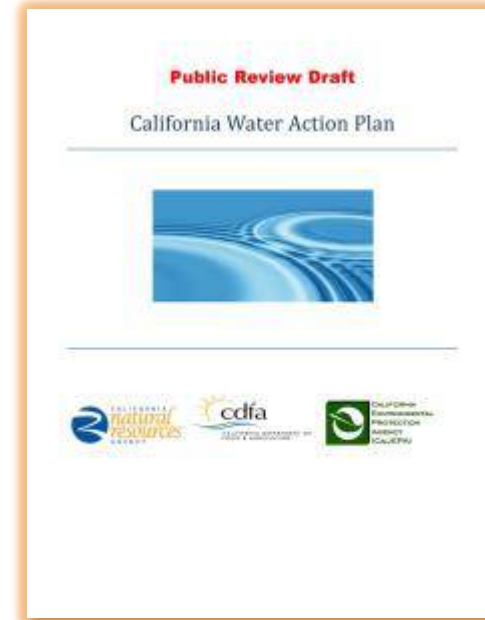
Actions to Promote Better Stewardship

- + Integrate headwaters management to sustain the environment and improve statewide water quality and supply
- + Coordinate state and federal regulatory actions
- + Implement flow regulations through a collaborative, science-based process to promote the co-equal goals



Brown Administration Draft Action Plan

- + Draft California Water Action Plan released Oct. 31.
- + California Natural Resources Agency, Cal/EPA and Dept. of Food and Agriculture taking lead
- + Identifies 10 key actions over next five years
- + We are agreeing on the needed investments



SWAP & CWAP: A Comprehensive Approach

How Do We Move Forward Together?

- + Commitment to a comprehensive plan moving forward
- + Maintain broad coalition of support
- + Work together on implementation:
 - Surface and groundwater storage
 - “Dead pool” issue
 - Water transfers
 - Groundwater management
 - IRWMPs



Financing California's Water Future

- + Water agencies now spend \$30 billion annually to build / maintain the system
- + We have invested >\$10 billion in capital improvements to better manage the resource
- + We recognize that public water agencies will pay most of the bill in the future
- + **BUT:** Coequal goals will require public funds



The 2014 Water Bond

- + Bunsen burner has been turned up to high
- + Public financing is critical to long-term investment
- + Changes needed to existing bond to assure success



ACWA's Direction on the 2014 Water Bond

- + Make it smaller
- + Avoid "earmarks"
- + Emphasize statewide investments
 - Delta ecosystem restoration
 - Public benefits of storage
- + Fund groundwater cleanup and local resources investment
- + Assist disadvantaged communities that do not have safe drinking water



ACWA's Direction on the 2014 Water Bond

Proposal for a Modified Water Bond (in billions)

Category 1: Local Resources Development Support	\$2.150
+ Disadvantaged Communities	\$0.300
+ IRWMP / Rural Support	\$0.450
+ IRWMP / Urban Support	\$0.650
+ Groundwater Quality	\$0.300
+ Recycling and Conservation	\$0.450
Category 2: Delta Ecosystem Rest. & Watersheds	\$3.050
+ Delta Sustainability	\$2.250
+ Watersheds	\$0.800
<u>Category 3: Storage for Coequal Goals</u>	<u>\$3.000</u>
Total Investments (in billions)	\$8.200

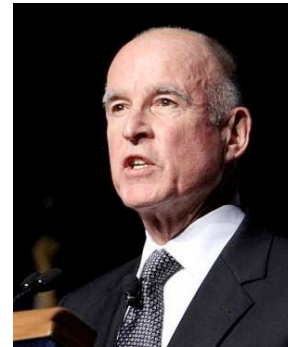
ACWA's Direction on the 2014 Water Bond

"...we will build for the future, not steal from it."

California Has a Decision to Make

- + Invest in statewide system to accomplish the coequal goals
 - Restore Delta Ecosystem
 - Improve water supply reliability statewide

- + California must move forward with comprehensive solutions, even when we have to deal with controversy



Contact & More Information

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