



California's Water Situation

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California Water Commission Meeting**
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of California
Water Agencies**
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The Delta: Heart of California's Water System



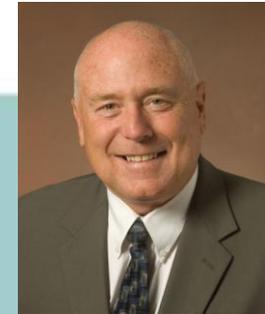
The Need for Statewide Solutions

- Delta conveyance problems can no longer be ignored
- Bay Delta Conservation Plan under way to address long-term Delta issues
- Delta solutions are more likely to succeed as part of a statewide comprehensive action plan



Statewide Water Action Plan

- ACWA-convened process to develop a statewide action plan, in coordination with DWR
- Broad cross-section of water interests
- Targeted for completion in September
- Goal: Recommend a specific plan to the Governor that can be broadly supported by water community and serve as sustainable path forward for California
- DWR also seeking input from other stakeholders



Statewide Water Action Plan

Key Elements

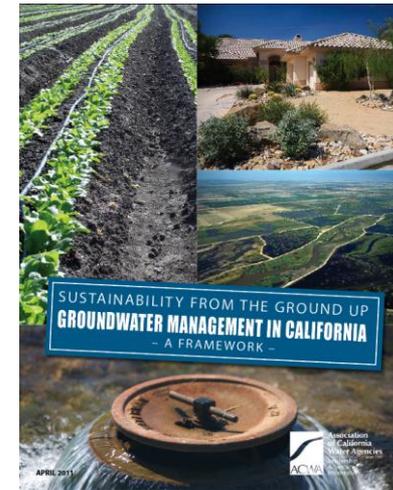
- Actions to Improve Statewide Water Supply
- Actions to Protect Water Rights
- Actions to Protect the Integrity of the System
- Actions to Promote Better Stewardship



Statewide Water Action Plan

Groundwater Resources

- Restrictions on surface water supplies, increasing demands are forcing greater reliance on groundwater
- State should support and incentivize local and regional groundwater management
- Groundwater recharge, banking and conjunctive use projects are critical to future sustainability
- Water bond funding is needed for the public benefits of surface and groundwater storage projects



Statewide Water Action Plan

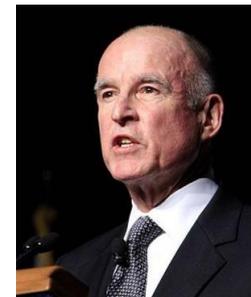
Water Transfers

- Important tool for meeting needs in dry years and droughts
- Can provide much-needed flexibility
- Process often takes too long
- Transactional costs are high
- Streamlined approval process needed so transfers can be implemented quickly



A Time of Opportunity

- The water community has a history of rising to the challenge
- After decades of stalemate, this is a time of enormous opportunity
- It's time for the water community to unite around a statewide water action plan



The 2014 Water Bond

- Public financing is critical to the coequal goals
- ACWA supported original 2009 package and bond
- Changes needed to existing bond to assure success



ACWA 's Direction on the 2014 Water Bond

- Support a smaller bond
- Avoid “earmarks”
- Rely on competitive processes
- Emphasize statewide investments
 - Delta ecosystem restoration
 - Public benefits of storage
- Include funds for groundwater cleanup and local resources investment
- Provide assistance for disadvantaged communities that do not have safe drinking water



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
Category 3: Storage for Coequal Goals	\$3.000
<hr/> Total Investments (in billions)	\$8.200

Three Distinct Proposals on the Table

Funding Category	ACWA Proposal	SB 42	AB 1331
Local resources development	\$2.15 billion	\$2.8 billion	\$2.5 billion
Delta sustainability	\$2.25 billion	\$1.0 billion	\$1.0 billion
Watersheds	\$0.8 billion	\$0.8 billion	\$1.5 billion
Storage	\$3 billion*	\$1 billion	\$1.5 billion*
Total	\$8.2 billion	\$5.6 billion	\$6.5 billion

*continuous appropriation

California Has a Decision to Make

- ACWA's core philosophy: Invest in statewide system to accomplish the coequal goals
 - Restoring the Delta ecosystem
 - Improving water supply reliability statewide
- California must move forward with comprehensive solutions, even when we have to deal with controversy

