



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Office of the General Manager

July 25, 2016

VIA EMAIL AND U.S. MAIL

California WaterFix co-Hearing Officer Felicia Marcus
California WaterFix Co-Hearing Officer Tam M. Doduc
State Water Resources Control Board
P.O. Box 100
Sacramento, CA 95812-0100

Dear Co-Hearing Officer Marcus and Co-Hearing Officer Doduc:

California WaterFix, Joint Petition, Policy Statement of the Metropolitan Water District of Southern California

The Metropolitan Water District of Southern California (Metropolitan) supported the creation of the State Water Project in 1960 and supports the modernization effort that is being advanced by the joint petition (Joint Petition) submitted to the State Water Resources Control Board (State Water Board) by the California Department of Water Resources and the U.S. Bureau of Reclamation. A successful completion of this effort is consistent with Metropolitan plans and policies that have evolved over time to meet the water needs of the six-county Southland region in an economically and environmentally responsible way. And it is consistent with a cornerstone of California Water Policy, the CoEqual goals of restoring the Sacramento-San Joaquin Delta and providing a reliable water supply for the state. Metropolitan appreciates the opportunity to provide information on its policies in support of the Joint Petition that seeks to improve an important component of the statewide delivery system in compliance with environmental laws and water rights.

Background

Metropolitan was created by an act of the California Legislature in 1928, starting as a cooperative of 13 founding member agencies with an initial purpose of constructing an aqueduct system to the Colorado River. Voters in Orange and Los Angeles counties in 1931 approved \$220 million in bonds necessary to construct the 240-mile system, providing a supply of reliable water that facilitated the development of the Southland economy. Delivery of water from Northern California via the State Water Project commenced in 1973. Southern California's existing water portfolio consists of approximately 30 percent from the State Water Project, 25 percent from the Colorado River and 45 percent from various local supplies, primarily groundwater.

The assessed property value of the Metropolitan service area in 1931 was approximately \$2 billion, prior to voters approving the development of imported supplies. Today the assessed

California WaterFix co-Hearing Officer Felicia Marcus
California WaterFix Co-Hearing Officer Tam M. Doduc
Page 2
July 25, 2016

value of the Metropolitan service area is in excess of \$2.5 trillion, a testament to the importance of the economy of the region to the State of California and the value of a reliable water supply to support the Southland economy and the economy of the whole state of California. Metropolitan now has 26 member agencies that serve approximately 19 million in a six-county service area that encompasses approximately 5,500 square-miles.

Metropolitan's Integrated Resources Plan: The State Water Project as an Essential Part of a Diversifying Southland Portfolio

Following acute shortage conditions during the drought of 1991, Metropolitan began to evolve its water planning in important ways that are advanced by the Joint Petition. The shortage conditions in 1991 exposed the need for Southern California to diversify its water portfolio and take numerous water management and water development actions. They were embodied in Metropolitan's first Integrated Resources Plan (IRP) that was completed in 1996.

In relation to the State Water Project, the IRP called for expanding Metropolitan and the region's network of surface and groundwater storage facilities in order to capture supplies in wet years for reserve in dry years. Metropolitan has increased its storage network 13-fold since this time, highlighted by the construction of the 800,000 acre-foot Diamond Valley Lake in southeastern Riverside County at a cost of approximately \$2 billion. To facilitate the conveyance of larger State Water Project supplies during wet periods, Metropolitan constructed a new "Inland Feeder" system of pipelines and tunnels through the San Bernardino Mountains. This system expanded the conveyance capacity to fill Diamond Valley Lake, at a cost of \$1 billion.

These investments rely on the ability of the State Water Project to capture wet-period supplies. This ability is significantly at risk with the existing system.

Metropolitan updated its IRP last year. In recognition of existing operating conditions, Metropolitan has decreased the quantity of average-year supplies it is planning to receive from the State Water Project. However, improved reliability of capturing wet-period water is paramount to Southern California's plans to place sufficient supplies in reserves for future droughts of unknown duration. California WaterFix and the Joint Petition are essential components of an effective statewide plan to prepare for climate change.

The updated 2015 IRP continues Southern California's plans to reduce reliance on the Delta to meet future needs by increasing local supplies and decreasing demand via conservation as the two water management strategies to meet 100 percent of the needs of expected future growths. Conservation, recycling and groundwater cleanup programs in Southern California exceed what Metropolitan imports from Northern California today. Imported supplies remain important baselines, yet local actions will meet all new future local needs.

California WaterFix co-Hearing Officer Felicia Marcus
California WaterFix Co-Hearing Officer Tam M. Doduc

Page 3

July 25, 2016

Metropolitan's 2007 Delta Action Plan: Envisioned Long-Term Actions Are Advanced by Joint Petition

Metropolitan was a signatory to the Planning Agreement for the Bay Delta Conservation Plan in October of 2006, a milestone commencing what became a \$240 million planning effort identifying California WaterFix as the preferred project. Recognizing the need to take numerous actions over time to improve the water supply and environmental conditions in the Delta, the Metropolitan Board of Directors in June of 2007 approved a "Delta Action Plan" that continues to provide the policy direction for Metropolitan in the Delta and in this Joint Petition proceeding.

The framework of the 2007 Action Plan was comprised of three components:

- Short-term. Actions over the subsequent 18 months to avoid incidental take of threatened or endangered species at the State Water Project facilities; implement/fund a Delta Levee Emergency Preparedness and Response Plan; and select and approve key elements of the long-term Bay Delta Conservation Plan.
- Mid-Term. Actions prior to a long-term Delta solution to secure long-term operating permits for the State Water Project; develop an implementation plan and environmental documentation for the preferred long-term plan; and implement "no regrets" ecosystem restoration projects.
- Long-Term. Actions to fully implement, govern, and finance the elements of a long-term Delta Vision. These elements include water quality/supply infrastructure, Delta habitat protection and restoration, flood control and levees, and others.

The Joint Petition process advances Metropolitan's policy to take mid-term and long-term actions to advance the necessary planning and regulatory actions in order to make needed long-term improvements in the Delta.

Metropolitan's 2007 Criteria for Conveyance Options: Six Important Benchmarks

In September 2007, the Metropolitan Board of Directors articulated the necessary elements of a long-term Delta solution by adopting policy criteria for conveyance options. The criteria are:

- Provide water supply reliability. Conveyance options need to provide water supply reliability consistent with DWR's most recent State Water Project Reliability Report (2005).
- Improve Export Water Quality. Conveyance options should reduce bromide and dissolved organic carbon concentrations. Existing in-Delta intakes cause direct conflict between the need to reduce organic carbon to meet stricter urban drinking

California WaterFix co-Hearing Officer Felicia Marcus
California WaterFix Co-Hearing Officer Tam M. Doduc
Page 4
July 25, 2016

water standards, and the need to increase carbon to promote a healthy food web for fish.

- Allow Flexible Pumping Operations in a Dynamic Fishery Environment. Water supply conveyance options should allow the greatest flexibility in meeting water demands by taking water where and when it is least harmful to migrating salmon and in-Delta fish species. All options should reduce the inherent conflict between fisheries and water conveyance.
- Enhance Delta Ecosystem Fishery Habitat Throughout Delta. Conveyance options should provide the ability to restore fishery habitat throughout the entire Delta (not just in partial areas) and minimize disruption to tidal food web processes, and provide for fluctuating salinity levels.
- Reduce Seismic Risks. Conveyance options should provide significant reductions in risks to export water supplies from seismic-induced levee failure and flooding.
- Reduce Climate Change Risks. Conveyance options should reduce long-term risks from salinity intrusion associated with rising sea levels. Intake locations should be able to withstand an estimated 1- to 3-foot sea-level rise in the next 100 years.

Metropolitan believes that California WaterFix as advanced in the Joint Petition, in tandem with the efforts of California EcoRestore, is consistent with these policy criteria.

2009 Delta Reform Act: The Joint Petition Is Consistent with Metropolitan's Support the CoEqual Goals

Metropolitan in 2009 was an enthusiastic supporter of the historic package of Delta and water management legislation that has advanced numerous water advances in California and led to this Joint Petition. At the core of the 2009 legislation was the inclusion of the "CoEqual goals into the California Water Code. As stated, "'CoEqual goals' means the two goals of providing a more reliable water supply for California and protecting, restoring, and enhancing the Delta ecosystem. The coequal goals shall be achieved in a manner that protects and enhances the unique cultural, recreational, natural resource, and agricultural values of the Delta as an evolving place."

The CoEqual goals have served as an important policy foundation to advance both water reliability and Delta restoration on the same footing. Metropolitan believes that the California WaterFix process, the proposed project and the proposed operations are shining examples of how to implement the CoEqual goals.

Guided by its policies and a mission to provide water in an economically and environmentally responsible way, Metropolitan has invested tens of millions of dollars to help advance California WaterFix process so that the state and federal applicants can present this Joint Petition in this

California WaterFix co-Hearing Officer Felicia Marcus
California WaterFix Co-Hearing Officer Tam M. Doduc

Page 5

July 25, 2016

proceeding. The length, expense and level of analysis in this planning effort are unprecedented in the history of the Delta and California water planning. This is in recognition of the complexity of addressing the many dimensions of the Delta challenge. The Sierra Nevada is California's single largest source of surface water, providing some or all of the supply for an estimated 95 out of every 100 Californians, reflecting the broad interest in this Joint Petition proceeding. The State Water Project and Central Valley Project are the nation's two largest water delivery systems. Modernizing them so that they can operate in the future Delta is not only consistent with the policies of Metropolitan, but those of the Brown Administration and of reliability investments by other urban water agencies that are dependent on the Sierra watershed.

We look forward to participating in this process and appreciate the opportunity to provide you with this important policy background.

Sincerely,



Stephen N. Arakawa
Manager, Bay-Delta Initiatives

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