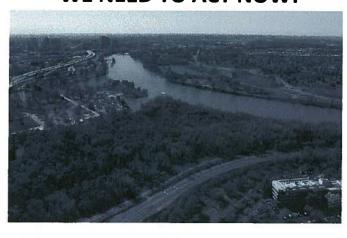
Water Resources Challenges for Communities Upstream of the Bay-Delta WE NEED TO ACT NOW!



Local and regional water agencies have been focused on the potential impacts of external activities for many years...It's time that we get a much broader base of people and organizations involved.

Delta solutions being developed pose SERIOUS RISKS

to the economy, environmental sustainability, and quality of life of the six-county Sacramento Region, Northern California and Mountain Counties.

If you only remember one thing from this presentation...this is it.

Our Water "In Play"

- November 2009 package of five water bills SBx7 1
 - 20% Water conservation requirement for inland CA -- 5% for Bay Area and LA
 - Created Delta Stewardship Council (DSC) and called for Delta Plan
- Delta Stewardship Council
 - 7 Members Chaired by Former Assemblymember & Mayor Phil Isenberg
 - Delta Plan to address Delta environment and statewide water supply
- State Water Resources Control Board
 - Report says 75% of natural runoff should flow to S.F. Bay to support Delta fish
- Bay Delta Conservation Plan
 - SoCal and San Joaquin Valley proposing tunnel under Delta to secure their use of Sacramento River water
- \$12 Billion Water Bond in 2012?

In 2009, the legislature passed a package of bills aimed at resolving the state's water issues.

Among these was SBX7 1, which created a seven member Delta Stewardship Council, and required development of a Delta Plan.

Most Northern California water users **opposed** the legislation, seeing little or no benefit, but great potential for negative impacts. Unfortunately, our numbers in the legislature don't drive policy.

A \$12 billion water bond, originally proposed for 2010 is key to implementation...but who believes the voters will pass this in the current economy. Legislative action will be needed in 2012. This is an opportunity for us to weigh in.

Key Concerns with the Delta Plan

- Breadth of geographic coverage Oregon to Mexico!
- 2. Impinges on local land use authority
- Restrict our region's future use of local water to put more water in Delta
- 4. Increasing flows to Delta is the primary environmental tool
- 5. Fees on upstream diverters and dischargers
- 6. No clear outcomes for the Delta

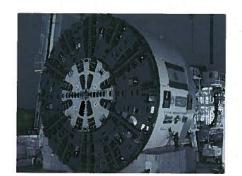


The Delta Stewardship Council has spent about a year developing drafts of the Plan. The Delta Plan is fraught with problems. As proposed in the fifth draft, it could have significant negative impacts without really resolving the problems of the Delta ecosystem.

Bay Delta Conservation Plan

50-year permits under Endangered Species Act to cover pumping water out of Delta to serve Southern California and west side of San Joaquin Valley

- •35-mile-long dual tunnels under Delta to move Sacramento River water to export pumps
- Control other stressors
- Habitat restoration
- \$250 million for plan and over\$12 billion to implement



The Bay-Delta Conservation Plan is an ongoing effort by those that export water from the Delta to obtain a 50-year permit to continue their diversions. The 2009 legislation requires the BDCP to be included in the Delta Plan if it meets certain requirements.

The export contractors have reportedly spent \$100 million to date on the planning effort and will commit that much again to complete the BDCP.

Unfortunately, the actions that will need to be carried out will place burdens on people other than the project proponents. Exporters have agreed to pay the costs of conveyance...however, there are a number of additional elements. Until the financing is figured out, they can't get their permit.

Federal Legislation – HR 1837

Congressional Hearing

"What have the upstream water users given up? ... let's ask these other people to give up something..."

-Tom Birmingham General Manager, Westlands Water District

"I'd like to know where the folks in the Sacramento River basin are giving their fair share."

- Congressman Jim Costa

HR 1837 would limit the responsibility of CVP and SWP to provide water to meet the requirements of the endangered species act.

It would then preempt state law so that no further reductions could be required.

If additional water were needed for the environment, it would have to come from others' supplies.

Others are playing hardball on these issues. We need to get in the game.

Direct Impacts

- \$2 BILLION wastewater treatment upgrade promoted by Southern California and San Joaquin Valley interests
- Limit future local water supplies and require more local conservation and recycling to support Delta exports
- Threats to local environment Water Forum balancing of local water uses and American River salmon ignored — Yuba Accord ignored
- Recreation Folsom Reservoir water increasingly used for Delta fish and export water supplies
- Reduced hydropower generation = increased local cost
- More fees ("public goods charge")
 - \$50 million to fund Delta Governance
 - \$110 per acre-foot (proposed in SB 34) \$55 million in region

The direct impacts of the Delta solutions being proposed affect our economy, environment, and quality of life.

Other Challenges

- Mounting regulatory requirements and fees
- Threat to priority of water rights and area of origin protections
- Aging infrastructure
- Local budget impacts

We will be faced with a number of challenges to water supplies in the coming decades. The potential negative impacts of a Delta solution on our region will only make it more difficult for us to respond.

A Regional Alliance on Water Resources

- We MUST have a unified voice
 - Regional Organizations
 - Cities, Counties
 - Business
 - Environmental interests
 - Labor
 - Others
- Adopt Principles by Resolution
- Get Engaged!

Many parties call for a collaborative solution to the Delta problem, and the water suppliers in the Sacramento Region can and must be a part of such a solution. However, at the same time, we must protect ourselves when proposals create winners and losers.

If we don't come together to protect our region's interests we will LOSE out.

It is critical right now that we form a broad coalition of support in this region to ensure our interests are protected in the regulatory, legislative, and legal proceedings that will define the future of water in California.

