



Submitted by Arriaga
at 7/10/13 committee
meeting
Item 3

For Immediate Release:
May 29, 2013

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Gov. Brown's Water Plan Cost, Benefit Details Released

Final chapters give public full view of costs and benefits of Gov. Brown's Delta restoration and water reliability plan

MILPITAS, Calif. – State water officials joined business, labor and agricultural leaders in Silicon Valley today to release information on the costs and benefits of Governor Edmund G. Brown Jr.'s Bay Delta Conservation Plan (BDCP). The BDCP is a proposal to provide long-term restoration and protection of fish and wildlife in the Sacramento-San Joaquin Delta while creating a more reliable means to supply water to 25 million Californians and over 3 million acres of farmland.

Information made available today includes cost estimates for implementation, potential funding sources, and the cost-effectiveness of new water tunnels proposed in the habitat conservation plan for the Delta. The continued degradation of the Delta's ecology and potential levee failure due to earthquake or pressure from sea level rise and increasingly violent storms would have catastrophic consequences for California's economy.

"California's current water supply system is clearly vulnerable to many threats, and the cost of its failure would be enormous," said California Natural Resources Secretary John Laird. "As public officials, we are duty-bound to address these threats. The BDCP provides the most comprehensive, well-conceived approach to ensuring a reliable water supply to 25 million people and restoring the Delta ecosystem."

The BDCP is designed to meet the co-equal goals mandated by the state in the 2009 Delta Reform Act: Restoring the Delta's fragile ecosystem and improving the reliability of water it supplies to two out of three Californians. The BDCP is a natural community conservation plan under state law and a habitat conservation plan under federal endangered species law. It includes large-scale habitat restoration and the return of more natural flow patterns through the Delta. The Brown administration's proposal for new intakes in the northern Delta and tunnels to carry water under the interior Delta also would protect against future water supply disruptions triggered by earthquakes, large storms, and sea level rise.

As detailed in Chapter 8, Implementation Costs and Funding Sources, the BDCP is a "beneficiary pays" project. It is expected to cost \$24.5 billion during its 50-year implementation period, with water users expected to pay an estimated 68 percent of the total price tag for design, construction, operation, mitigation, and adaptive management of a new water conveyance system. The remaining balance, an estimated \$7.9 billion for habitat restoration, pollution control, anti-poaching programs, and other measures to reduce ecological stress, could be funded through a variety of sources, including state and federal financial participation. An exact financing plan is not yet developed, but will be under discussion. Although the final federal and state allocation of costs and funding sources are yet to be determined, the BDCP assumes that California taxpayers would fund the state's share of the non-conveyance costs primarily through passage of two general obligation bonds in future years.

Chapter 8 also examines the ability of California water users to pay for the BDCP. Chapter 8 notes that the annual cost of financing the BDCP's proposed water conveyance system is "far below the cost thresholds typically used for evaluating ability to pay."

As required by the U.S. Endangered Species Act, Chapter 9, Alternatives to Take, analyzes a range of approaches that would cause different levels of harm and benefits to protected Delta fish and wildlife species. Appendix 9.A of the chapter compares the economic outcomes of these various approaches against future conditions assuming the BDCP is not implemented.

The report demonstrates net benefits over a 50-year period of approximately \$5 billion for the Brown administration's proposal for the agricultural and urban water districts expected to pay most of the costs. In comparison, a conveyance facility of 3,000 cubic feet per second (one-third the size of the preferred BDCP alternative) would cost approximately \$1 billion more than its total benefits to water users.

The benefits to water users analyzed include improvements in water supply reliability and water quality and reduced seismic risk to Delta supplies.

A broader economic analysis of the statewide economic impacts of the Brown administration proposal is expected to be released by the Natural Resources Agency in July.

"The draft chapters released today demonstrate the value of the benefits of our proposed project to water users and we can consider the cost from the perspective of our nearly \$2 trillion economy," said Department of Water Resources Director Mark Cowin.

"Meanwhile, we urge Californians to get acquainted with the details of the draft plan and to bear in mind the high costs – from species extinction to water supply disruptions in the Delta – of doing nothing."

In recent years, Delta water deliveries have been restricted in order to protect endangered fish. Federal and state water projects that supply two-thirds of California's population and 3 million acres of farmland draw water from the Delta through the State Water Project, operated by the California Department of Water Resources, and the Central Valley Project, operated by the U.S. Bureau of Reclamation.

In addition to analysis that looks more deeply into benefits to the California economy, the state is continuing to evaluate 15 project alternatives under California Environmental Quality Act (CEQA) and National Environmental Protection Act (NEPA) requirements. An administrative draft BDCP Environmental Impact Report/Environmental Impact Statement prepared by the state's consultant, ICF, was made available to the public May 9.

State and federal agencies welcome comments on the current administrative draft of the plan. The agencies will respond to formal public comments submitted during the official comment period that begins with the release of the Public Review Draft BDCP expected October 1. A robust public participation process, including in-Delta office hours, educational workshops and formal public comment hearings will accompany the release of the Public Review Draft Environmental Impact Report/Environmental Impact Statement later this year.

Television media note: B-roll video (HDV) files – "BDCP Footage.mov" and "Delta Footage" -- are available at: ftp://ftp.water.ca.gov/PAO_video_downloads/BDCP%20Footage/

To read the entire Administrative Draft Bay Delta Conservation Plan, as well as the Consultant Draft BDCP Environmental Impact Statement and Environmental Impact Report, please visit:
<http://baydeltaconservationplan.com>.

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