

Irvine Ranch Water District
Bay Delta Conservation Plan Policy Principles
October 4, 2012

Issue Summary:

The Bay Delta Conservation Plan (BDCP) is a joint state and federal effort to develop and implement a 50-year plan that includes a set of water system and ecosystem improvements in the Sacramento-San Joaquin Delta and will serve as the foundation for achieving the legislatively established co-equal goals of high-quality water supply reliability and ecosystem restoration.

The Irvine Ranch Water District has successfully taken many steps throughout the past two decades to diversify the District's water supply and reduce reliance on imported water, including investment in water recycling, water use efficiency, groundwater production, and water banking programs. Like most of Southern California, the District continues to have some degree of reliance on imported water supplies including supplies from the Delta. A reliable and high quality imported water supply is a vital component of the District's water resources portfolio. Achieving the co-equal goals in the Delta is essential to ensuring a sustainable water supply for millions of Californians and the protection of the Delta as a unique natural asset.

The following BDCP policy principles supplement the 2009 IRWD Bay Delta Policy Principles. These principles describe the District's preferred outcome for the BDCP. The District recognized that an acceptable final BDCP might not include every aspect of the following principles. As such, the IRWD Board will evaluate and consider a position on the final proposed BDCP when released for review.

Background:

The Sacramento-San Joaquin Delta faces a wide variety of threats to its health and stability including population growth, habitat loss, unstable levees, seismic activity, and water quality. In 2006, state and federal officials, water leaders, environmental organizations and other stakeholders embarked on a comprehensive approach to create a durable regulatory framework that would lead to fundamental and systematic changes in the Delta. This effort is the BDCP. The comprehensive legislative Water/Delta package enacted in 2009 complemented the important work of the BDCP. The goal of the BDCP is to develop and implement a long-term solution to California's water crisis that will provide reliable, high-quality water to residents, agriculture and businesses across the state and will protect vital Delta habitat.

The key elements of the BDCP are:

- New water conveyance facilities to improve flow patterns for Delta fisheries while improving water supply reliability;
- Biological goals and objectives for fish and other species;
- Restored and protected aquatic and terrestrial habitat;
- Measures to address other ecological stressors;
- Governance structure to implement the BDCP collaboratively including a clear process for addressing issues and conflicts as they arise; and
- Financing mechanisms and funding responsibilities.

In July 2012, state and federal leaders announced revisions to the BDCP, a preferred conveyance alternative, and timeline for moving forward with the BDCP process. The preferred alternative, along with a full range of alternative proposals, will undergo a thorough public environmental review process beginning with the release of a Draft Bay Delta Conservation Plan and corresponding Environmental Impact Report/Statement for public comment in the fall of 2012 and an expected adoption of the Record of Decision in 2013.

The BDCP faces a variety of political and practical challenges. Delta communities fear the BDCP will lead to endless additional exports of water from the Delta; environmental groups argue that alternative conveyance will further impair the health of the Delta ecosystem; and significant financing questions remain, particularly in light of the second delay in the statewide Water Bond.

The BDCP is vital to California's water supply and the overall health of the Delta, which are, in turn, vital to California's economic strength. The process offers the best opportunity for California to develop a comprehensive and lasting Delta solution that will achieve the co-equal goals of supply reliability and habitat restoration. IRWD supports and encourages the BDCP process and looks forward to the development and implementation of a Plan that will secure California's water supply while protecting the state's precious natural resources.

Policy Principles:

General:

- The BDCP must recognize that California cannot achieve the goal of a reliable high quality water supply without investment in Delta ecosystem restoration and, conversely, cannot achieve the goal of ecosystem restoration without securing high-quality water supplies through the development of effective conveyance infrastructure.
- The final BDCP must support the legislatively mandated co-equal goals of high quality water supply reliability and ecosystem restoration. It is vital that the water supply reliability and ecosystem restoration components of the Plan complement and reinforce each other.
- The final BDCP must reflect a balanced solution for California as a whole without elevating the needs of one region over another. A comprehensive Plan must be based on collaboration between all stakeholders, science and research, and a comprehensive statewide perspective. The BDCP process offers the best opportunity to meet these objectives.
- Partnership with Delta communities and leaders, recognition of the Delta's value to California, and identifying opportunities for investment in Delta communities are vital to the successful implementation of the BDCP.

- It is essential that the BDCP process moves forward in a timely manner as proposed by the state and federal proponents in July 2012. The release of a Draft Environmental Impact Report/Statement by fall 2012 is crucial to the adoption of an official Record of Decision by 2013.

Water Supply and Conveyance:

- The final BDCP must include a conveyance project with operational flexibility providing the needed foundation for meeting the co-equal goals, including:
 - Effectively conveying reliable and high-quality water supplies under the Delta to for 25 million Californians, 3 million acres of farmland, and other uses; and
 - Conveying water supplies under the Delta in a way that ensures the movement of water across the Delta for supply purposes does not interfere with the natural tidal fluctuations of the Delta needed to support vital habitat.
- The proposed conveyance project must not only ensure the availability of water supplies but also must be designed and constructed in such a way as to produce the highest possible quality water for export. To meet this end, the BDCP should consider a conveyance project that positions the intakes above and outside the tidal zone and treated wastewater discharge influence to protect water quality, particularly during low tidal times.
- The final parameters of a conveyance system must reflect:
 - Contractual agreements and high quality supply delivery assurances to provide certainty that those investments in conveyance reap adequate returns for investors;
 - A goal of reducing unanticipated interruptions and restrictions on pumping; and
 - Agreements to reduce future water supply exports from the Delta rather than reductions in current export levels.
- The final BDCP must reflect that a Delta solution and improved conveyance is only a piece of California's overall water supply strategy. The BDCP must complement other strategies essential to a comprehensive statewide approach to integrated supply management including:
 - Effective levee improvement and maintenance;
 - Development of groundwater and surface water storage and water banking programs;
 - Alternative supply development (i.e., recycled water, desalination, storm water capture, impaired groundwater development);
 - Water use efficiency and conservation; and
 - Improved statewide operational efficiency.
- The BDCP must protect existing water rights, including rights north of the Delta, and Delta interests to ensure that all areas of the state have adequate water supply sustainability.

Conservation and Ecosystem Restoration:

- The BDCP must be developed as a Habitat Conservation Plan and a California Natural Community Conservation Plan. This will provide a level of regulatory certainty, particularly in reference to the Federal Endangered Species Act, needed for successful implementation of the Plan's Delta improvements.
- The BDCP must reflect the understanding that effective ecosystem restoration is essential to ensuring high quality water supplies are available to Californians.
- The BDCP must incorporate a collaborative, science-based approach built on independent, unbiased research, including a clearly articulated conservation strategy that reflects the impact and responsibility of all Delta stressors.
- The Plan's conservation and ecosystem restoration strategy must use a comprehensive multi-species approach that is flexible enough to allow for adjustment necessary through an adaptive management framework and program.
- To the extent possible, the biological goals of the Plan must be specific, measureable, achievable, relevant, and time-bound.

Finance and Governance:

- The BDCP must be cost-effective as determined by a sound cost and financial analysis that studies the true costs of all components of the Plan.
- The BDCP must reflect the following widely agreed upon finance structure:
 - State and federal water contractors and their customers will pay for the cost of conveyance;
 - Habitat and ecosystem restoration and mitigation costs will be borne by the state, ideally through bond proceeds;
 - If a water user fee is considered for funding any component of the Plan, that fee must be established on a clearly defined "beneficiary pays" principle that ensures a clear legal nexus and proportionality between financial responsibility and benefits realized and recognizes the responsibility of all Delta stressors; and
 - The Plan must include a sound cost and financial analysis.
- Establishing a clearly articulated, cooperative governance structure is critical for the successful implementation of the BDCP. This governance structure must be:
 - Open and transparent;
 - Allow all affected parties to play an appropriate role in the governance and implementation of the BDCP; and
 - Include clear decision-making and conflict resolution processes.