



*Bringing
Water
Together*

2017: A Banner Year for California Water?

WESTCAS 2017 Annual Conference

June 20, 2017

Timothy Quinn, ACWA Executive Director

www.acwa.com

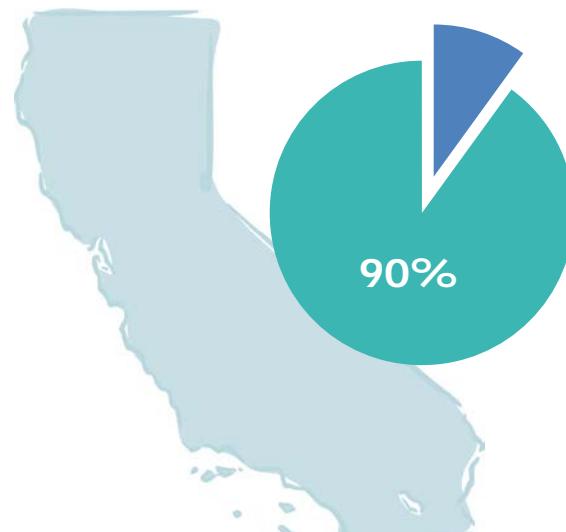
About ACWA

Who We Represent . . .

- ACWA members responsible for 90% of the state's distributed water

Water Sources & Services

- Federal, state and local projects
- Surface and groundwater
- Agricultural, urban, industrial customers
- Wholesale, retail

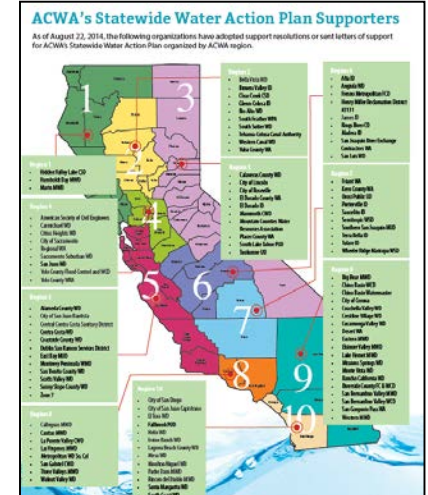


- Committed governor
- Federal partnership (?)
- We have a plan
- Broad support though not universal

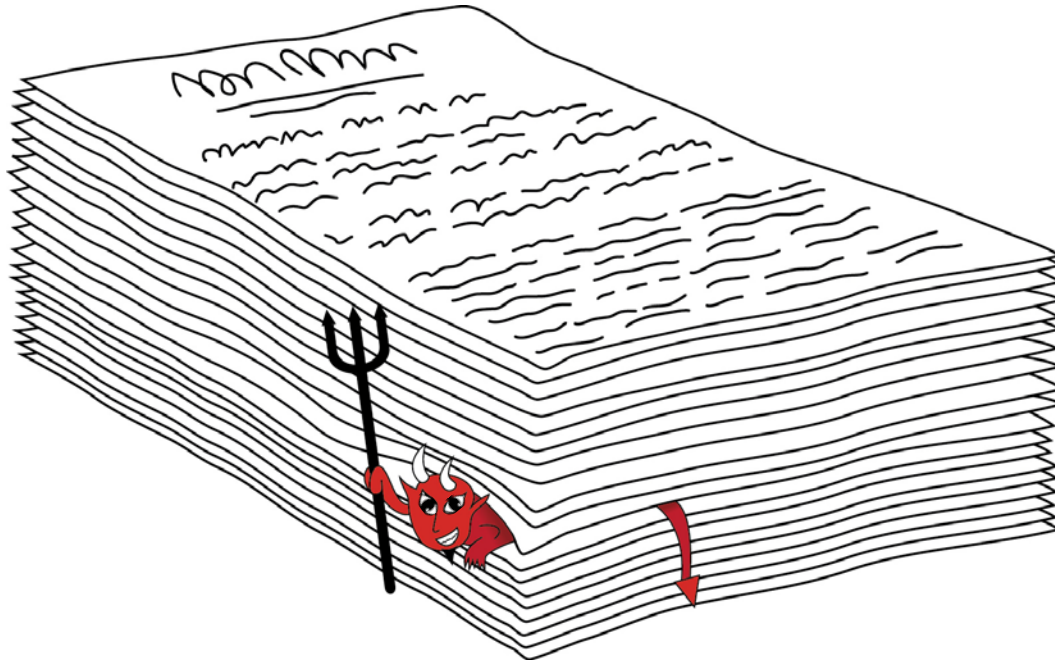


APRIL 13, 2017 12:39 PM

The image shows the front cover of a report titled "California Water Action Plan 2016 Update". The title is centered at the top in a black serif font. Below the title is a horizontal line, followed by a large rectangular graphic of blue water ripples. Another horizontal line is below the graphic. At the bottom of the cover are three logos: the California Natural Resources Agency logo (a blue stylized 'e' with the text "CALIFORNIA natural resources AGENCY"), the CDFG logo (a sun icon with the text "cdfg CALIFORNIA DEPARTMENT OF FISH AND GAME"), and the CalEPA logo (a green circular arrow icon with the text "CalEPA CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY").



California Water at Another Tipping Point in 2017



There is, of course, a lot of devil in the details...

California at Another Tipping Point in 2017



...but standing still is not an option!

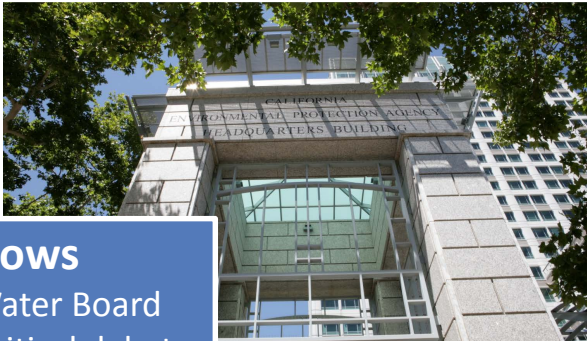
...and We Are Certainly Not Standing Still



WaterFix
Final EIR/EIS



Storage
\$5-\$10B in 2018



Flows
State Water Board
triggers critical debate



Conservation
Negotiations in the
Legislature

\$25+ Billion Capital Program Primed to Launch

ACWA Priority Goals for 2017



Policy-Related Goals

ACWA will continue to serve as the driving force in advancing comprehensive solutions that improve water supply reliability for all parts of the state.

- **Provide leadership on Bay-Delta solutions:** ACWA will provide leadership and a strong, unified voice to advocate for Bay-Delta policies that are consistent with comprehensive solutions and the coequal goals of improving water supply reliability and ecosystem health. ACWA will highlight the fact that Delta conveyance solutions advanced through California WaterFix must be part of a comprehensive plan that benefits all parts of California. It also will seek to assure that flow decisions by the State Water Resources Control Board are consistent with the California Water Action Plan and compatible with a future that includes a vibrant agricultural and urban economy.
- **Develop long-term conservation and drought policy:** ACWA will advocate for policy that protects local decision making, recognizes the role of local water supply investments, and promotes sound policy on water use efficiency and long-term climate adaptation.
- **Advance water storage investments:** ACWA will continue to define and highlight the benefits of storage project integration and provide technical analysis to inform decision making by the California Water Commission as it allocates funds from Proposition 1.
- **Promote policy advances on headwaters:** ACWA will work with coalition partners to educate audiences and promote policies and funding to increase the pace and scale of headwaters and forestry management.
- **Advance sound water rates policy:** ACWA will engage in legislative and administrative solutions that provide flexibility for local agencies to adopt voluntary demand-based rates and lifeline rates without creating any new state authority that might restrict local discretion. ACWA also will seek solutions that address drinking water affordability in a manner that is consistent with local decision-making authority over rate-related decisions.

- **Provide leadership on drinking water solutions for disadvantaged communities:** ACWA will take a leadership role to develop and advance solutions that are reasonable and effective and do not unjustly impact ACWA members.

Organizational-Related Priority Goals

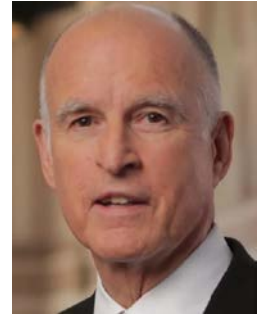
Building on key organizational changes and efficiencies made in recent years, ACWA will pursue all opportunities in 2017 to meet member needs and ensure the long-term success and financial sustainability of the association.

- **Develop long-range plan for financial sustainability and staff resources:** ACWA will continue implementation of the succession plan for staff developed in 2016. It also will execute programs to create a significant increase in non-dues revenue and decide on a plan for the future of its building at 910 K Street in Sacramento.
- **Assist ACWA members with recruiting and engaging next generation:** ACWA will pursue strategies to assist members with this important priority.
- **Improve involvement by ACWA's agricultural members:** ACWA will elevate the importance of issues affecting agricultural members and work to increase their engagement in the association.
- **Maximize the "Meet the President" initiative:** ACWA will seek to engage less-involved members and enhance regional outreach and effectiveness through meetings and events as part of the initiative.
- **Implement the Integrated Marketing / Communications / Outreach Plan:** Building on the successful rollout of a new brand in 2016, ACWA will implement remaining actions, including a major redesign of its website and enhanced social media presence.



California WaterFix

- In December 2016, Governor submitted final EIR/EIS
- State Water Board conducting water rights hearings on CA WaterFix
- Federal government stepping forward as a partner; biological opinions under preparation



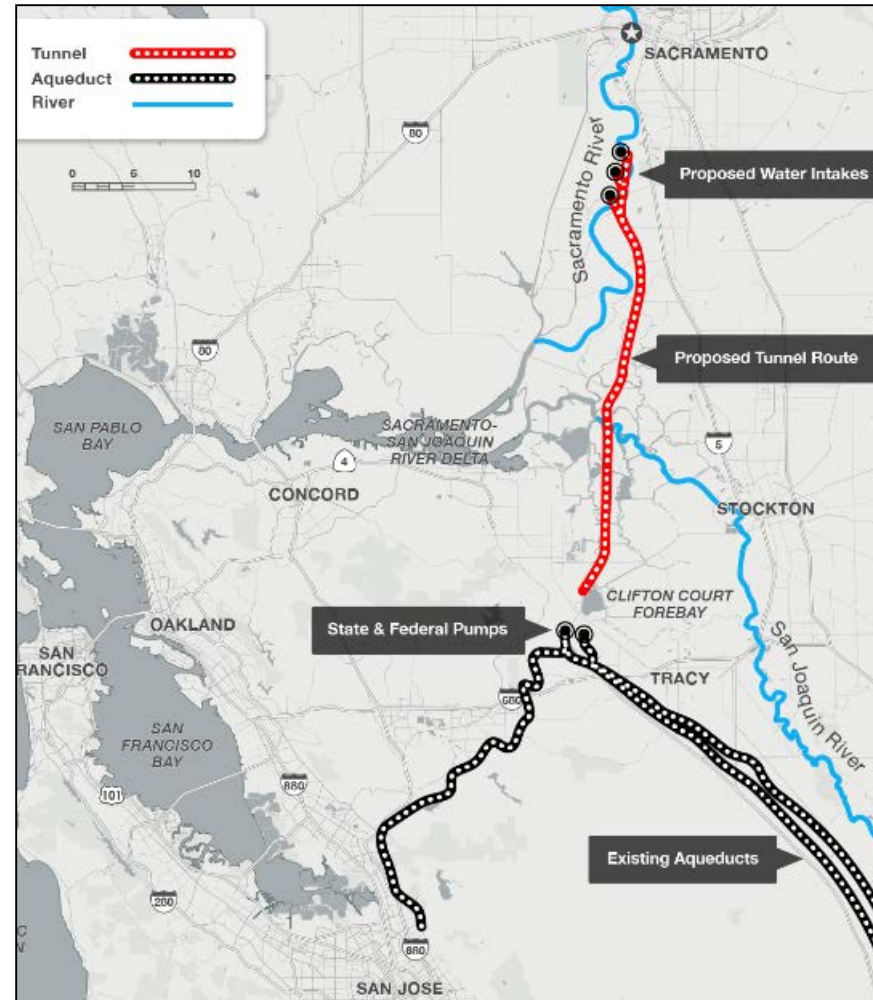
CAPITOL HILL
APRIL 11, 2017
Trump's land official meets with Brown: 'We want to be the friendly, yep organization'



CA WaterFix

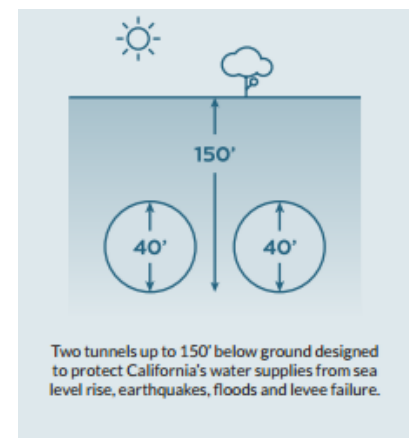
Alternative 4A Elements

- \$17.1 Billion project, mostly funded by public water agencies
- Three new diversion points in the north Delta
- Two gravity-fed tunnels to send water to Tracy pumping plants
- Habitat improvements under EcoRestore plan



ACWA's Perspective on CA Water Fix

- Key element of CA Water Action Plan
- With Delta conveyance:
 - ✓ Storage works better
 - ✓ The market works better
 - ✓ Habitat restoration works better
 - ✓ Water quality is better
- **Key concern:** Conveyance solutions must move forward as part of a comprehensive plan



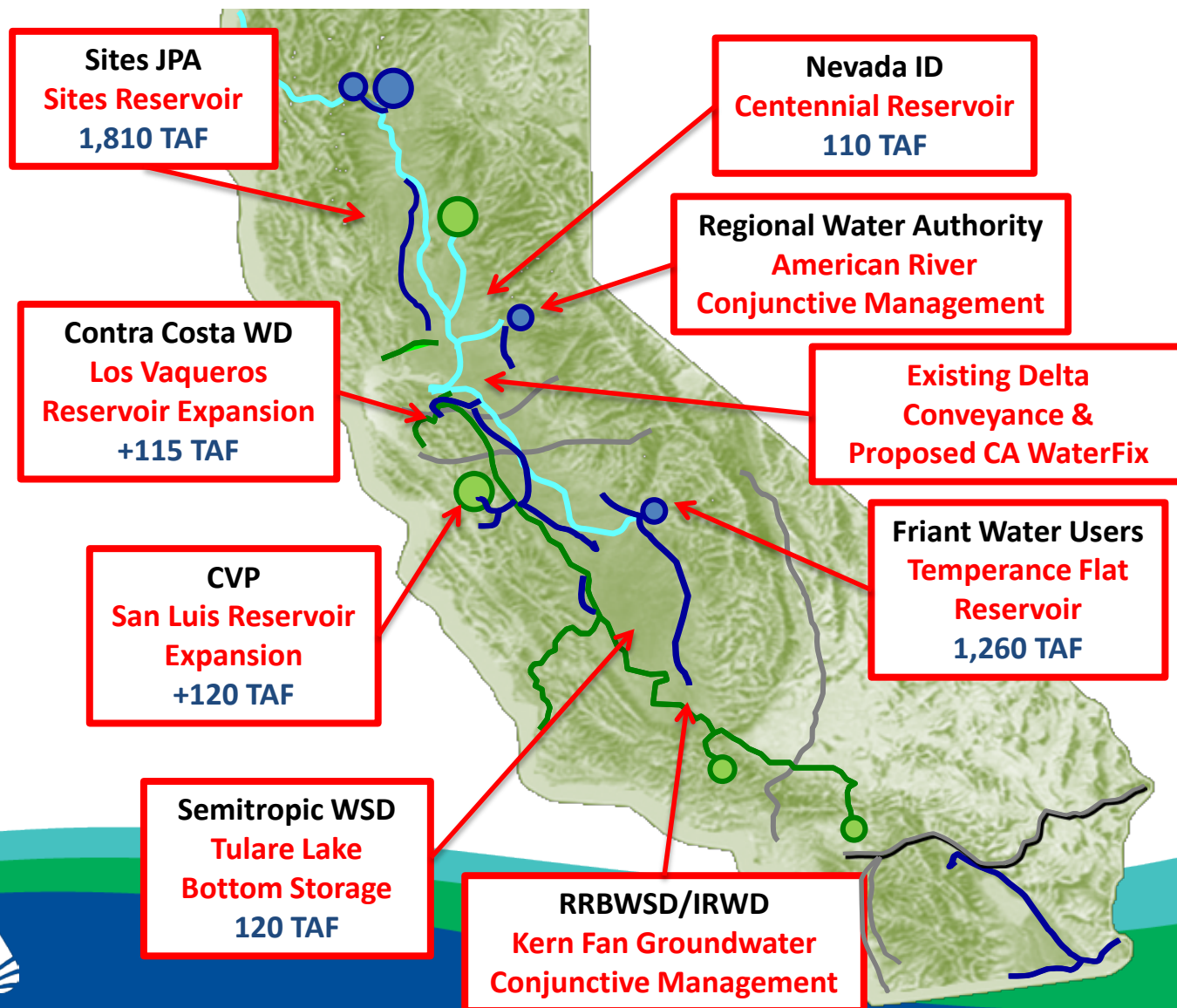
Investing in 21st Century Water Storage

- ACWA has been a long-time supporter of more storage – above- and below-ground
- Prop. 1 passed by 2:1 margin
- CA Water Commission:
 - Workable regulations
 - WSIP applications due Aug. 14
 - \$2.7B allocated in 2018, will leverage up to \$10B in new storage



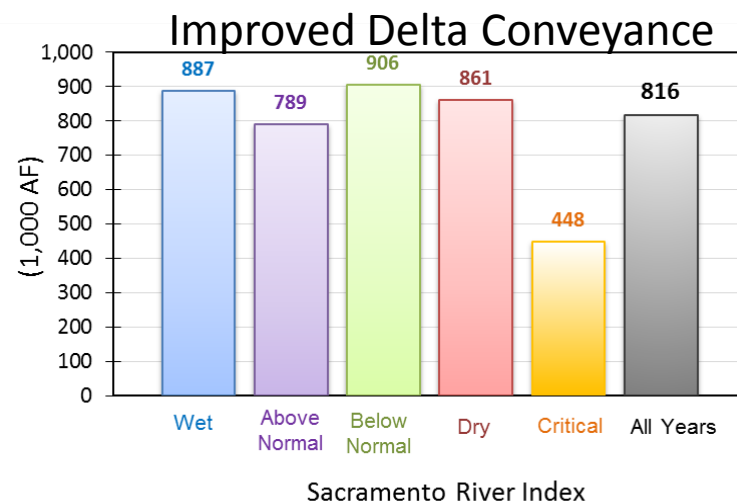
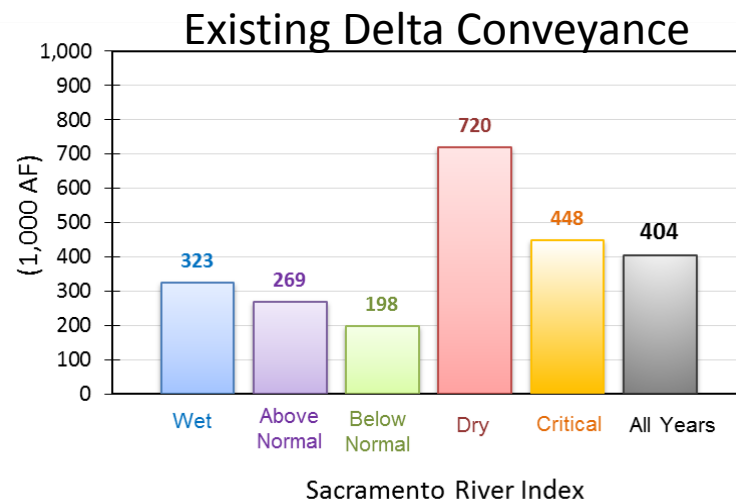
ACWA Water Storage Integration Study

3.5 MAF Combined New Storage



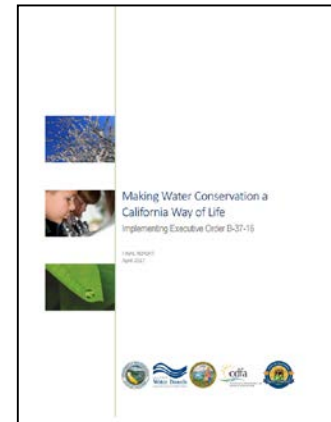
ACWA Water Storage Integration Study

- Substantial water available for storage
- Fraction of that can be stored to enhance coequal goals
- New storage increases carryover by 1.9 MAF per year
- Storage + creative operations = more resiliency
- Integration works - conveyance doubles storage value
- Investments enhance SGMA implementation



Conservation “As a Way of Life”

- All agree we need to raise the bar on efficiency
- Tremendous teamwork in “ACWA-land”
- Action now in Legislature
- **Key issue:** Local discretion vs. State Board overreach

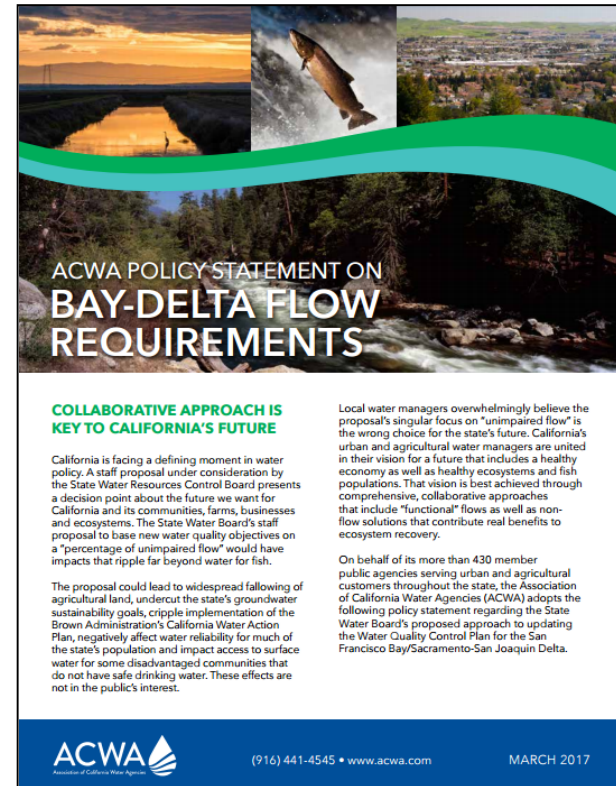


Integrating Flows into the Package



ACWA Policy on Bay-Delta Flow Requirements

- Expresses concerns about State Water Board SED proposal
- Identifies criteria for a path forward
- Defines common sense metrics of success

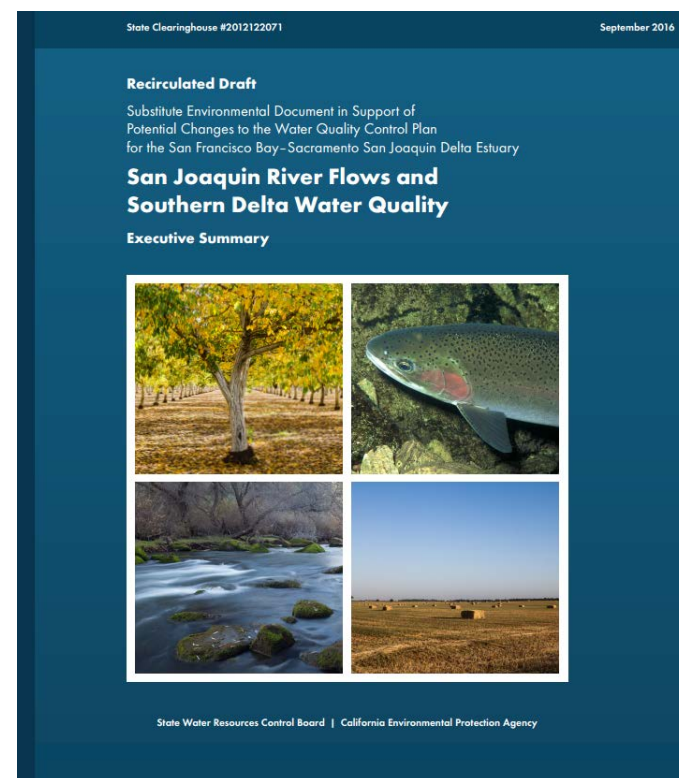


Bay-Delta Flow Requirements

Concerns about the SED

State Board Staff Proposal:

- Focuses on “unimpaired flow”
- San Joaquin River range: 30% - 50% (40% starting point)
- Acknowledges role for non-flow measures and voluntary agreements but...



State Water Board Proposal

Concerns about the SED

- Flows clearly come first
- Widespread concern:
 - Large loss of water
 - Land out of production
 - Reduced reliability for M & I
 - Groundwater basins thrown into critical overdraft



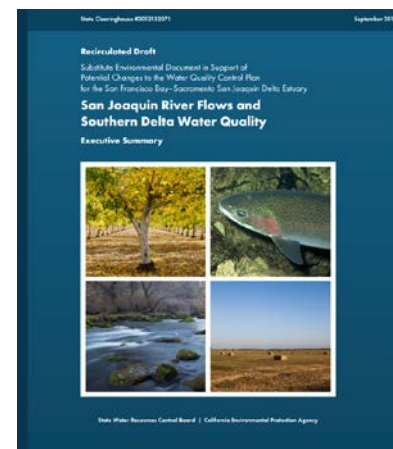
State Water Board Proposal

Concerns about the SED

Q: How is this consistent with:

- Coequal goals?
- SGMA Implementation?
- Success of the CA Water Action Plan?

A: It isn't.



ACWA's Policy on Bay-Delta Flow Requirements

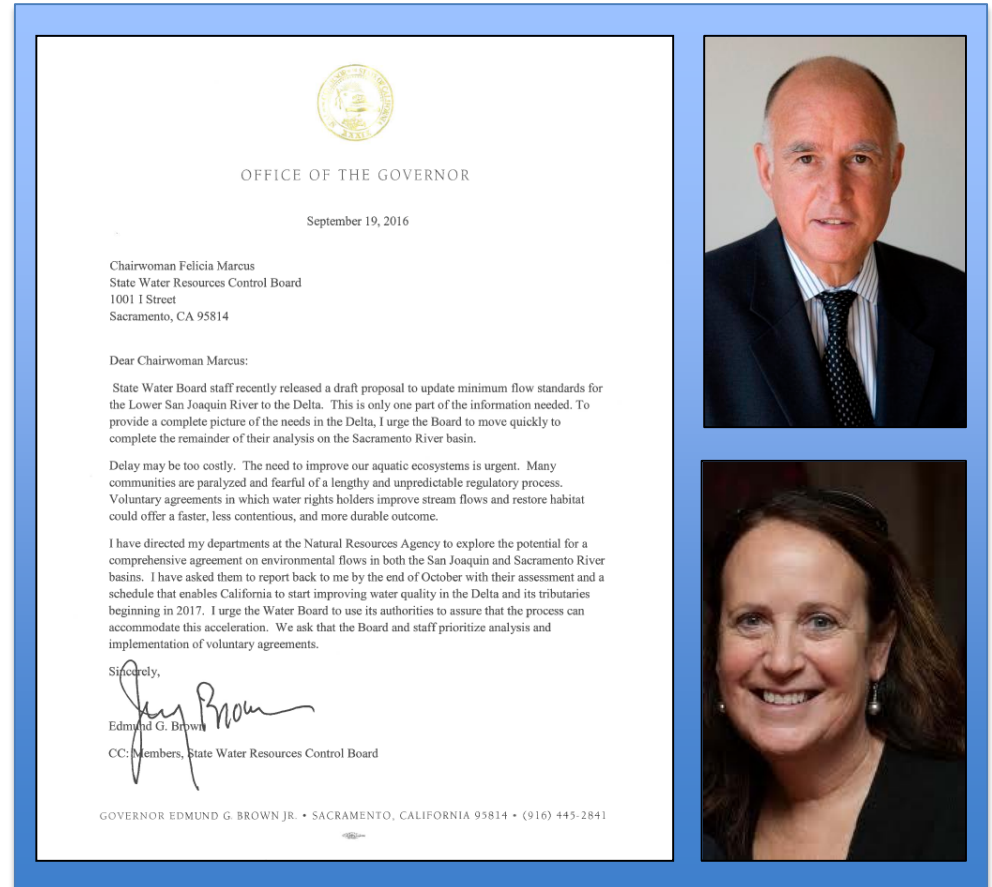
Criteria for a path forward

- Collaborative, negotiated solutions
- Comprehensive water supply management
- “Functional” flows and comprehensive ecosystem management

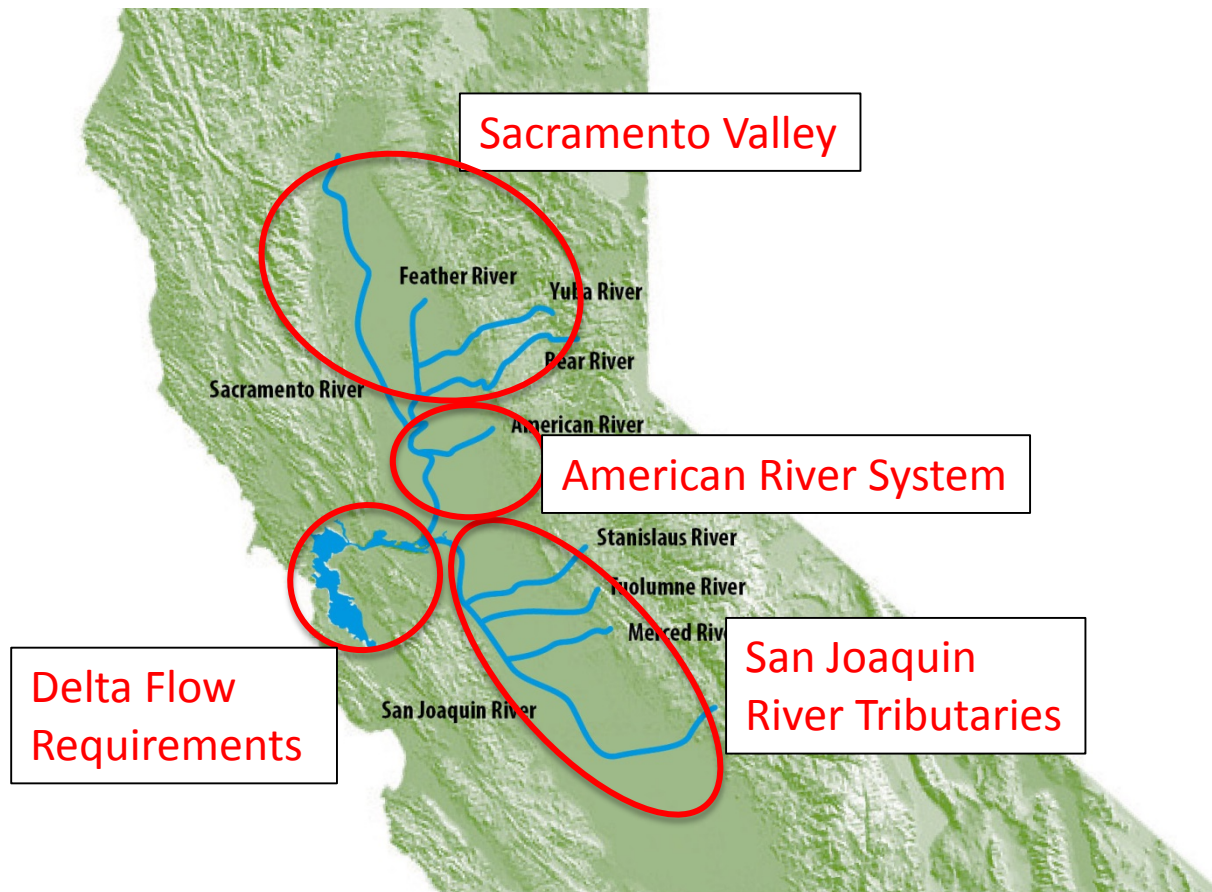


Brown Administration Seems to Get It

“Voluntary agreements in which water rights holders improve stream flows and restore habitat could offer a faster, less contentious, and more durable outcome.”



Collaborative Negotiations



Nemeth	Babbitt
	
	
Cowin	Bonham

The Water Manager's Comprehensive Toolkit

- Demand Management
- Recycling
- Stormwater Recovery
- Groundwater Cleanup
- Water Markets
- Local Storage
- Myriad of other tools



\$20 billion and counting

We have uncoupled the growth-imports relationship

The Ecosystem Manager's Comprehensive Toolkit

- Floodplain habitat
- Riverine habitat
- Predation control
- Pollution control
- Food management
- Harvest management
- Flow/temperature management

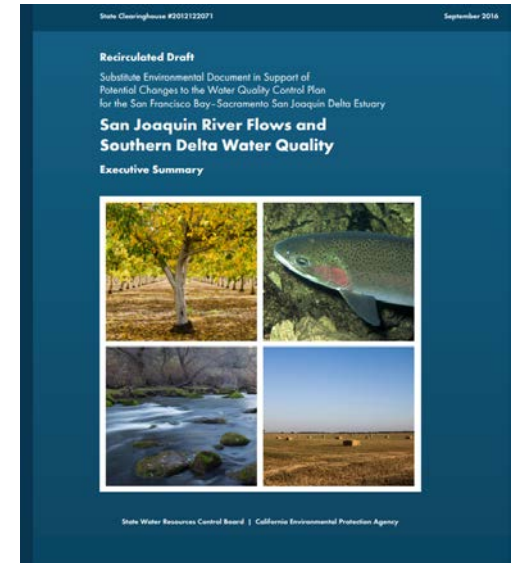


SED Proposal: Percent of Unimpaired Flow

Concerns:

- “Top down” approach is highly inefficient
- Limited connection to rest of package
- Very large impacts, especially on agriculture

We need a more effective and efficient approach for flow requirements



“Functional” Flows

So, what do we want to the State to do?

- Implement true, integrated resources planning for ecosystem management
- Engage all the tools within life cycle framework
- Develop flow requirements from the “bottom up,” not “top down” and tie flows to specific biological functions
- Link flows to other elements in the integrated package (e.g. flood plains)



“Functional” Flows

These actions will:

- Dramatically improve the productivity of flow measures to enhance the environment
- Significantly reduce impacts on water users to help achieve the coequal goals



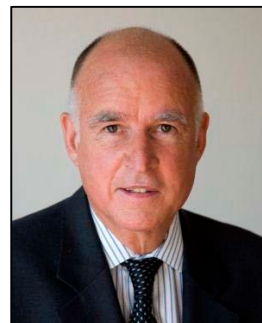
Bay-Delta Flow Requirements

Common sense metrics of success:

- ☒ Does the proposal have broad support?
- ☒ Does it significantly enhance the environment?
- ☒ Is it consistent with a “more reliable water supply” and a growing Ag and Urban economy?
- ☒ Does the policy help accomplish the goals of SGMA?
- ☒ Does the policy promote the implementation of the CA Water Action Plan?

Leadership

- War is easy – collaboration is hell
- ACWA Board principles envision powerful, difficult change
- This always requires courage and leadership



Failure is not an option

Questions?

Feel free to contact me



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