

# 2009 Delta Legislation

## The EBMUD Perspective

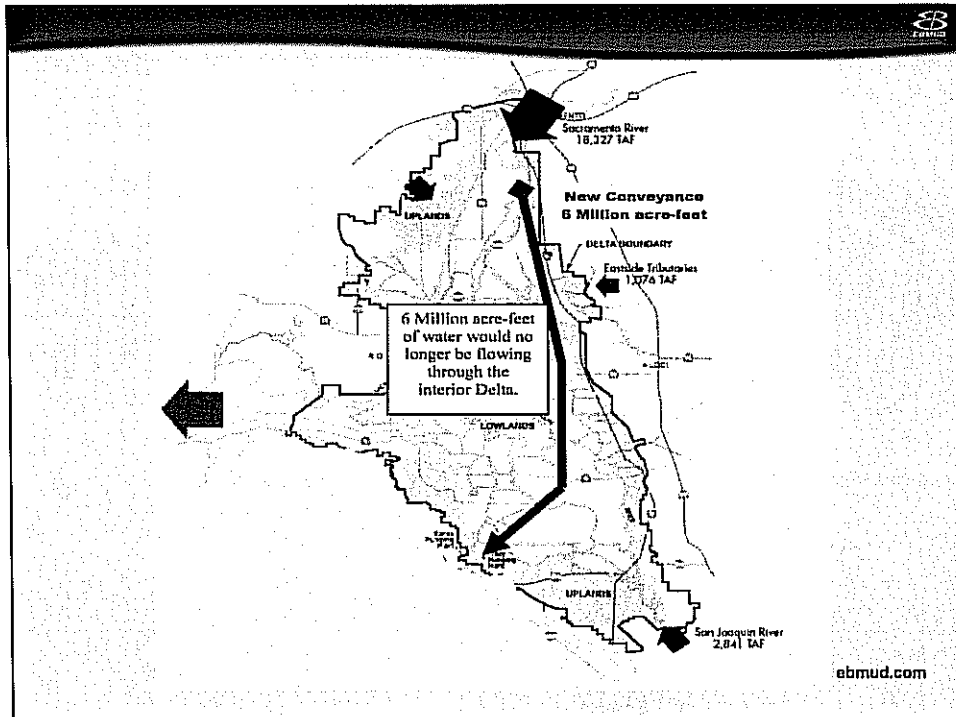
San Francisco  
Estuary Partnership

Randele Kanouse  
East Bay Municipal Utility District

### Legislative Package Moves Ahead Boldly, but...

- Devil is in the details – time will tell if enactment of this legislation represents "an historic event"
- New governance institutions pose many unresolved complexities
- Critical Assumptions
  - The Delta's complex and dynamic ecosystem can be managed such that listed species will be restored
  - Californians will invest in maintaining the levees to protect the Delta "as a place" for future generations
  - Californians will radically change how they think about, use, and value their water supplies

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## Needs of Northern California

- ◆ Up to 6 Million acre-feet of water per year (ten times the water consumed annually by the San Francisco Peninsula and the East Bay) that flows into the Delta today could instead be diverted around the Delta through a Canal
- ◆ Those communities that will take their water through the Peripheral Canal must be responsible for mitigating their impacts on the Delta
- ◆ Northern Cal communities must not be required to replace the Delta flows that will be diverted through a Canal
- ◆ The State Water Board must develop new Delta flow standards and determine which communities share responsibility for providing these additional Delta flows



## Unprecedented Costs

- An \$11 Billion General Obligation water bond would cost the General Fund \$800 million a year in interest payments for the next 30 years
- Can California afford this 30 year General Fund interest obligation, given that it would be cheaper to finance water projects through local water rate increases?
- The "beneficiaries pay" principle means that if a community wants a new, or expanded, water delivery system, that community must be prepared to pay for those improvements
- Existing water systems in California were paid for mostly by local ratepayers without reliance on expensive GO bonds – based on the "beneficiary pays" principle

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## Funding the Delta Fix

- Costs of restoring the Delta ecosystem and related improvements will exceed \$50 Billion
- All Californians benefit from a healthy Delta ecosystem and must share in the obligation to pay for "public benefits"
- A new state water fee may be established to help pay for "public benefits," such as Delta ecosystem restoration
- Agriculture generates \$36 billion in annual receipts and uses 80% of California's water supplies, so agriculture must pay its fair share of a state water fee

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