

## **Crunch time in the land of water buffalos**

Some perspectives from the annual meeting of the  
Association of California Water Agencies - May 2007

This month's annual meeting of the **Association of California Water Agencies (ACWA)** provided a fascinating look at the future of the West's water supply as the old, "business as usual" systems crash into the realities of increasing competition for water and climate change.

**ACWA members** deliver 90% of California's water and is the largest association of water agencies in the country. This year's conference drew close to 2,000 attendees - if you're in the water supply and delivery biz, this is the place to be.

**California's Governor Schwarzenegger** was enthusiastically applauded as he pledged continued support for his **\$5.9 billion water plan**, which includes \$4 billion for two new dams. (Last month, the Governor's bond authorization bill was blocked in the key Senate committee.) **Randy Fiorini, ACWA's President** said that while he hopes that the Governor and legislature will strike a deal on new dams, his group remains open to backing a **state-wide ballot measure** stating "The electorate understands that the economy can't survive on uncertain water supply."

The Governor's proposal is stalled out for a number of reasons but his main challenge centers around the questions of **who pays for what share of the costs** and **what will the final costs actually be?** Currently, no water agencies have agreed to pay for their share of the costs in the form of long-term contracts - saying that they can't agree to contracts when they don't know what the costs will be. Many agencies are, however, in enthusiastic agreement that the public should approve \$4 billion in general obligation bonds before the final costs are known.

**Phil Isenberg**, the head of Governor Schwarzenegger's new **Delta Vision Task Force** delivered unpopular news - there is no time left for the Delta, tough decisions will be made in the next two years and **there will be winners and there will be losers.\*** The Delta Vision Task Force has been charged with a) creating a vision for the Delta this year and b) creating the plan to implement that vision in 2008. The political, environmental, economic and social ramifications of the Task Force's work are somewhat mind-boggling. No one is sure which way the Governor will head with the Task Force's recommendations - making a number of people very nervous.

The centerpiece debate at the conference between **Lester Snow** ("Uncle Lester"), head of **California's Department of Water Resources**, and **Peter Gleick** ("The Ayatollah of the

Soft Path”), of the **Pacific Institute** (and the conference's lone environmental sacrificial lamb) was on water storage.

While the two agreed on the problem (climate change, population, etc.), generally agreed that the “user pay” formula is a sticky-wicket and needs to be fixed, and both cited the need for a state-wide water conservation plan, they sharply disagreed on the heart of the issue - new water storage.

**Lester Snow’s message:** We have to do more of the same – more investment in current delivery systems, more storage, better facility management practices. And he emphasized the on-going conundrum for water agencies - current delivery costs are based primarily on decades-old infrastructure costs. New infrastructure will cost a lot more - who pays and for what portion?

**Peter Gleick’s response:** Do the smart thing – analyze the economic, social, environmental and political costs (e.g. new water storage), determine who is going to pay for it, look at the other options and compare. Tackle growth management policy (e.g. don’t build in flood plains) and make agricultural water use more efficient (gasps could be heard in the audience.)

Meanwhile, a number of water agencies - including **many of the big urban agencies** - are focusing more on water conservation, efficiency and recycling. With a fiduciary responsibility to deliver high quality water at the lowest possible price to their members, agencies find themselves between the rock and a very hard place - less water used means lower revenues/higher AF water costs. And urban agencies, like agriculture-based agencies, get most of their water deliveries from systems that were built decades ago. While southern California’s **Metropolitan Water District** wouldn’t turn down a **Peripheral Canal**, they aren’t eager to pay for it. Buying water from agriculture (e.g. the Imperial Valley deal and on-going purchases in the Upper Sacramento River valley) are, so far, more cost effective.

The West’s historic big infrastructure/centralized water delivery system is creaking at the seams. Climate change et al requires a system that is adaptive, diverse and regionally based. Any similarities in the latter to the characteristics of a healthy ecosystem are, of course, coincidental.

- *Kimery Wiltshire, Exloco May 23, 2007*

\* One current loser in the Delta is the Delta smelt. The annual spring survey this week conducted by California’s Department of Fish and Game, found 25 (that’s twenty-five) fish - 93% lower than in any other previous survey.