



## THE CITY OF SAN DIEGO

July 29, 2014

Mr. Ryan Wulff  
National Marine Fisheries Service  
650 Capitol Mall, Suite 5-100  
Sacramento, CA 95814

Dear Mr. Wulff:

Subject: BDCP Comments

On behalf of the City of San Diego's Public Utilities Department (San Diego), I wish to submit the following comments related to the joint Draft Environmental Impact Report and Draft Environmental Impact Statement prepared by the U.S. Department of Interior Bureau of Reclamation (Reclamation), U.S. Fish and Wildlife Service, the U.S. Department of Commerce, National Oceanographic and Atmospheric Administration, National Marine Fisheries Service, and the California Department of Water Resources for the proposed Bay Delta Conservation Plan (BDCP). The proposed BDCP is truly monumental in its vision – California and the United States are to be commended for taking this project forward for consideration.

San Diego currently imports approximately 85 percent of its water supplies from the Colorado River and State Water Project (SWP). As the largest member agency of the San Diego County Water Authority (Water Authority), San Diego is paying approximately 40 percent of the cost to bring online 50,000 acre-feet per year of desalinated seawater by 2015. Additionally, San Diego is moving forward with plans to purify its recycled water for potable purposes. By 2035, over a third of San Diego's future drinking water demands are anticipated to be met with locally produced purified water.

The San Diego region is doing everything it can to diversify and fortify our collective water supply portfolio while minimizing imported water deliveries from the SWP. We have recently seen the cost of purchasing imported water double every ten years. Water affordability in the urban area's disadvantaged community (DAC) is an issue with which we struggle. A disadvantaged household in San Diego is already paying approximately \$2,000 an acre-foot for their water. The proposed cost of the BDCP would further increase water rates by 20 percent or more, leading to even greater affordability issues for our ratepayers.

With these general concerns in mind, San Diego supports the co-equal goals of an enhanced Delta ecosystem and enhanced water export reliability. With the resolution of the following general concerns and support for firm commitments by the SWP individual contractors, we are prepared to support the advancement of the Bay Delta Conservation Plan. From our perspective, the greatest risk to cost increases is the potential rolling off of anticipated project partners due to the project's expense, leaving San Diego with a disproportionate share of the cost as compared to that which is envisioned at this time. Project partners need to demonstrate a firm commitment upfront before the project is authorized.



**Public Utilities Department**

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GENERAL CONCERNS

1. **Financial Aspects.** Chapter 8 lacks sufficient detailed information to allow individual agencies to perform their own cost-benefit analysis. With this information, individual SWP contracting agencies should be able to make firm decisions as to whether or not they wish to commit to taking the water made available by the BDCP. With that commitment, the SWP contractors will be better able to move forward with their negotiations related to how to assure continued payment for BDCP conveyance projects. The final BDCP should detail "step-up" provisions if individual water contracts default on their funding obligations. Accompanying those provisions should be a legal analysis of the viability of relying on the State's general fund as security for project debt. San Diego's clear concern is that its ratepayers will be left paying a disproportionate share of the conveyance projects if abandoned by other agencies due to its initial expense.
2. **Draft Implementing Agreement.** The draft Implementing Agreement, dated May 30, 2014, is intended to establish how the various federal, State, and certain SWP contractors (Authorized Entities) will work together cooperatively towards achieving the BDCP's various financial and implementation obligations. Our review of the draft Implementing Agreement finds insufficient clarity with regard to how these legally binding obligations will be made and the timeframe in which they will be made. The final Implementation Agreement should establish the specific commitments of individual SWP or Central Valley Water contractors participating in the BDCP. Also, the draft Implementing Agreement needs to better outline how federal and State funding will be assured over the entire implementation schedule of the BDCP.

The member agencies of the Water Authority, including the City of San Diego, have a very large collective stake in the success of the BDCP. As such, we believe that the Water Authority should be allowed a seat of its own in the various planning and negotiation efforts at which the Metropolitan Water District of Southern California (MWD) is currently representing our interests. We support the work of MWD to advance the BDCP and we also support the work of the Water Authority to thoroughly vet the complex array of engineering and financial decisions presented in the draft BDCP, Implementing Agreement, and all future documents governing the advancement of this project.

Thank you for this opportunity to comment. If you have any questions or concerns, please feel free to contact Cathleen C. Pieroni at 858-292-6424.

Sincerely,



Halla Razak  
Director of Public Utilities