

# DELTA CONVEYANCE FACILITY AGREEMENT IN PRINCIPLE NEGOTIATIONS

Water Resources and Watershed Committee

May 13, 2020

Item 5.3

# DELTA CONVEYANCE FACILITY

## CONTRACT BACKGROUND/OVERVIEW

- ▶ Board Approved 2018 WaterFix/Water Management Agreement in Principal (AIP)
  - ▶ All contractors participated with side deals for non-participants
  - ▶ Provided water management tool to facilitate side deals
  - ▶ Provided for collection of all WaterFix costs through Statement of Charges
- ▶ November 2019 Delta Conveyance AIP
  - ▶ Created a new class of SWP water supply attributed to the DCF with complex water accounting rules
  - ▶ Participants Opt-in to benefits and costs
  - ▶ Carryover and Article 21 issues were contentious among contractors
- ▶ May 2020 Delta Conveyance AIP
  - ▶ Opt-out of benefits and costs
  - ▶ Water attributed to DCF is fully integrated into the SWP
  - ▶ Carryover and Article 21 issues still contentious among contractors

# DELTA CONVEYANCE FACILITY AIP

- ▶ Benefits of a Delta Conveyance Facility
  - ▶ Table A water (attributed to DFC)
  - ▶ Article 21 water (attributed to DFC)
  - ▶ Carriage water savings
  - ▶ Protection from short and long-term delta supply disruptions
    - ▶ Physical (levee failure)
    - ▶ Regulatory (salinity, climate-change)
  - ▶ Capacity to convey non-Project water across the Delta
- ▶ Limited access to non-participants of benefits on second priority basis
  - ▶ Article 21 water
- ▶ Full cost recovery through SWP Statement of Charges

# CONCLUSIONS

- ▶ Participation Options
  - ▶ Opt-out
  - ▶ Do nothing (participation level set at proportionate Table A amount)
  - ▶ Increase proportionate share of DCF and associated benefits
- ▶ Same level of support of among contractors as November
- ▶ Next steps regarding adoption of AIP and funding of DCF activities to be determined