



RTD-23

**Testimony of Barbara Barrigan-
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California WaterFix
Change Petition Proceeding**

Topics (1)

- **Petition Facilities and the Public Interest**
- **Project's Business Case**
- **Water Beneficiary Pays Principle**
- **Federal Audit**
- **State Audit**
- **CVP Participation**
- **SWP Participation**

Topics (2)

- **DWR Validation suit**
- **Joint Power Authorities**
- **MWD Purchase of Delta Islands**
- **Ratepayer understanding**
- **Central Basin Municipal Water District Case Study**
- **Recommendations**

Petition Facilities & the Public Interest

- Summary
 - Based on business case, petition facilities not in public interest
 - Change from BDCP to CA WaterFix change project status under Delta Reform Act of 2009
 - No documented proof beneficiaries will pay
 - Project lacks legislative authorization and financial plan

Business Case

- Water Contractors have not committed to paying for total project costs.
- Funding shortfall
- Funding based on volume-metric sales although bond repayments will be fixed
- Claims regarding retail agencies only paying for WaterFix through purchased water

Water Beneficiaries Pay Principle

- Burns-Porter Act
- Water Code Section 85089
- Significant Portion of CVP planning contributions paid for by Reclamation
- Westlands validation response looks for state funding of prior planning expenses
- Need for financial plan that demonstrates beneficiaries pay

Federal Audit Results

- Over 1/3 of planning expenses paid for by Reclamation instead of CVP contractors
- Violates Delta Reform Act
- Good government groups forced to use public records act requests to learn how project is manage

State Audit Results

- DWR accepted payments from Reclamation for planning expenses
- Violates Delta Reform Act
- No transparency in financial management of planning costs to date
- No detailed financial plan
- No cost-benefit analysis

CVP Participation

- Westlands vote
- Statement by Bureau of Reclamation regarding Federal financial participation
- Other CVP contractors

SWP Participation

- KCWA Vote
- SCVWD Vote
- MWD Vote
 - What was agreed to by MWD member agencies

Validation Case & JPAs

- Purpose of DWR Validation filing
- Response filings
- JPAs
 - Construction
 - Finance
 - Adaptive Management
 - Regulators as captive members of JPA
 - JPAs will not serve public interest

MWD Purchase of Delta Islands

- Owens Valley History
- San Diego Water Authority Questions Regarding Appraisal
- MWD effort to control land and water rights for project advancement
- DWR as captive agency

Ratepayer Understanding of Project

- MWD statements regarding costs
- MWD and MWD member agency outreach to ratepayers
- MWD presentations to municipalities, retail water districts and member agencies regarding project costs
- Volume-metric sales with fluctuating water sales supply vs. fixed bond repayments

CBMWD Case Study

- Who gets WaterFix water?
- How much will customers pay?
- Lost opportunities for improvement in local supplies
- Promises made to ratepayers
- Lack of transparency for ratepayer oversight

Recommendations

- Petition denial requested. If permit is granted, these are our public interest recommendations regarding finance:
- Compliance with beneficiary pays requirements under all laws including Water Code Section 85089
- Peer-reviewed cost-benefit analysis
- Detailed peer-reviewed finance plan that documents bond repayment schedules
- Detailed plan for project JPAs to provide transparent quarterly updates regarding project financials, work completed, and work scheduled
- A customer service center for Delta residents and ratepayers to interface with the JPAs