RTD-23

Testimony of Barbara Barrigan-Parrilla
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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