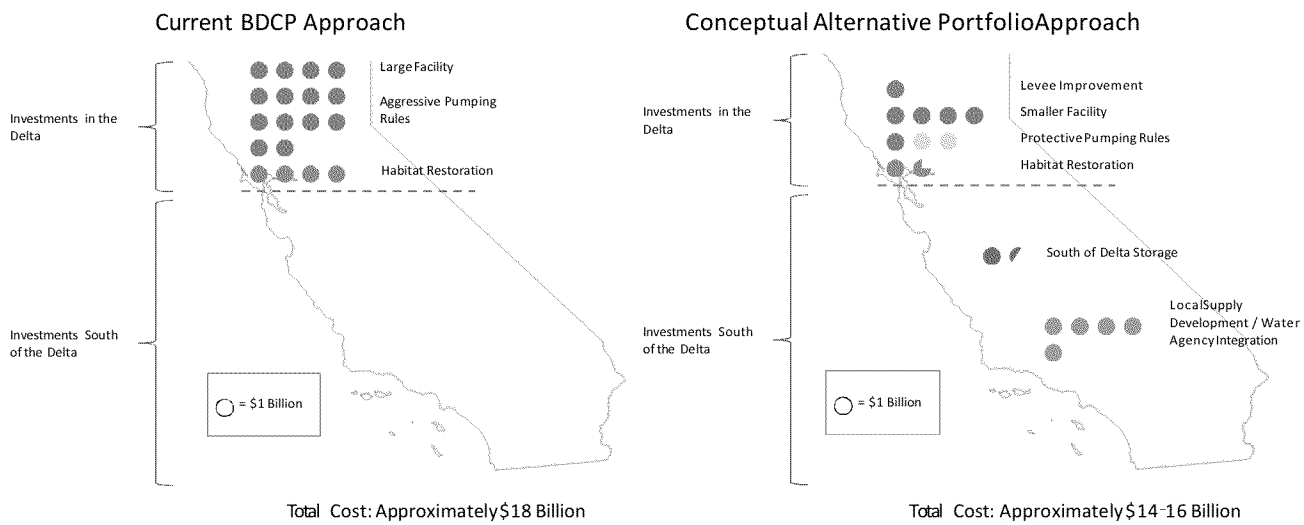
NATURAL RESOURCES DEFENSE COUNCIL

Benefits of a Diversified Portfolio Approach to the Bay-Delta and Water Supply

A Bay Delta Conservation Plan that includes a balanced portfolio of investments both in and outside of the Delta offers a wide range of potential benefits in comparison with a narrow focus on a large new Delta water conveyance facility and habitat restoration. Given the statewide importance of a Delta solution, we urge BDCP, the Delta Stewardship Council and others to analyze these and other potential benefits from a portfolio approach to restoring the Bay-Delta and improving water supply reliability in export areas.



Cost-Effective Solutions: By considering the benefits of water supply investments that do not depend on increased exports from the Delta, a portfolio approach can help in developing the most cost-effective plan for the Bay-Delta and improved water supply reliability. This approach is similar to integrated planning efforts undertaken by individual water agencies across the state and has the potential to provide superior benefits at a lower overall cost.

More Water for California's Economy: A smaller Delta facility would save billions of dollars in construction, operations and maintenance costs. Some of these savings can be invested in proven water supply tools such as water conservation and recycling, and in South of Delta storage that can provide improved dry year water supply. Considered as a complete portfolio, this approach can produce more water for export water users than would be produced through a narrow focus on a large Delta facility.

Jobs for Southern California, the Bay Area and the Central Valley: Investing billions of dollars in new water sources in export areas will generate thousands of jobs in the communities that will provide the local cost share for these investments. Based on an analysis by the City of Los Angeles, a $3.5 billion investment in local water solutions in the urban sector would generate 10,000 jobs over a five year period. In contrast, a narrow focus on a large Delta facility and habitat restoration would generate few direct jobs in communities south of the Delta.

Science-Based and Permittable: By basing proposed operations in the Delta on the best available science and by investing in alternative water supply sources that reduce reliance on the Delta, a portfolio approach allows BDCP to develop a truly science-based plan that can receive required regulatory permits.

Better Environmental Results: By reducing pressure for Delta exports, a portfolio approach could help implement science-based flow standards in the Bay-Delta to restore the largest estuary on the West Coast, to help recover listed species and to rebuild the California salmon fishery. In addition, investments in local water supplies in the export areas can reduce energy use and greenhouse gas emissions associated with transporting water from northern to southern California. Some of those investments, such as water recycling, groundwater management and urban stormwater capture can also improve Southern California coastal water quality and reduce contamination in groundwater basins.

Faster Water Supply Benefits: The length of time required to provide benefits is a key factor in designing a Delta plan. A large new Delta facility would provide no benefits until construction is complete – perhaps 15-20 years from today. In contrast, investments in local water supplies and stronger Delta levees produce benefits more rapidly, as each project is completed. In addition, a smaller facility could likely be constructed more rapidly. The delay in receiving benefits from a large facility could result in even higher costs for export water users, who could be forced to make major investments in local water supplies during the coming 15-20 years, in addition to the cost of financing a large Delta facility.

More Local Control Over Water Supplies: By increasing investments in local water sources, a portfolio approach would increase local control over water supplies. Communities including Los Angeles, San Diego, Long Beach, Santa Monica and many others are already planning major investments in local water supplies that will reduce their reliance on water imported from the Delta. This approach is also consistent with the state water code requirement to reduce reliance on Delta water supplies.

Greater Reliability, Especially During Dry Years: A portfolio approach would provide multiple water supply benefits during dry years, when water is most precious. First, local water sources such as conservation and water recycling are far less vulnerable to droughts, earthquakes and climate change impacts than are Delta supplies. Second, a portfolio approach would invest in South of Delta water storage to increase water availability in dry years. And third, by investing in Delta levees and a smaller Delta facility, a portfolio approach would provide greater dry year reliability than would a large facility alone. BDCP currently anticipates that more than 75% of Delta exports will come from the existing South Delta pumps in the driest years – even with a large new North Delta intake. Under this approach, investments in Delta levees are needed to decrease the vulnerability of 75% of Delta exports in the driest years. In any "dual conveyance" alternative that would divert from both the North and South Delta, investments in Delta levees would improve the reliability of ongoing exports from the South Delta.

Broader Potential Support: Most of the concepts included in a portfolio approach have been supported by a wide range of stakeholders for many years. This approach could provide broader benefits for the Delta, for the environment and for water users than an approach that is artificially constrained to the Delta alone. This portfolio approach could attract broader support, leading to new potential financing partners and easier implementation.