

Water Supply Challenges During the Drought

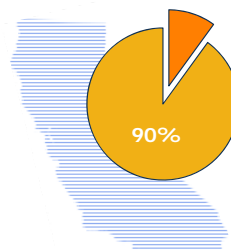
Irrigation Association Education Conference

Nov. 13, 2015 • Timothy Quinn, ACWA Executive Director

About ACWA

Who We Represent . . .

- + ACWA members responsible for 90% of the state's distributed water



Water Sources & Services

- + Federal, state and local projects
- + Surface and groundwater
- + Agricultural, urban, industrial customers
- + Wholesale, retail



Water in the News



Agricultural sector taking a hit

The Washington Post

Drought-stricken California's San Joaquin Valley is sinking, NASA says

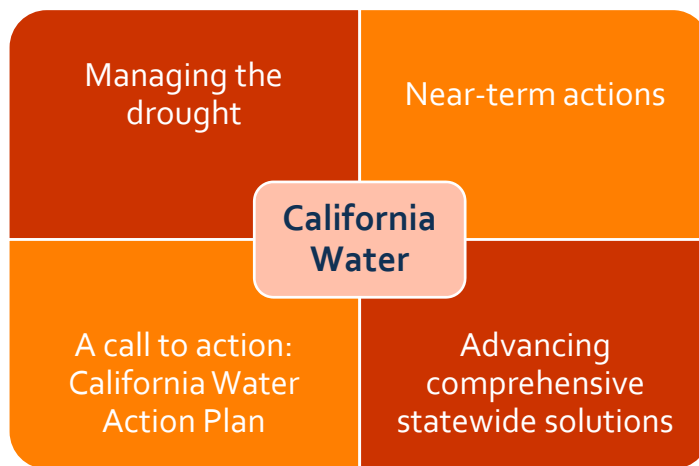


Drought is accelerating land subsidence



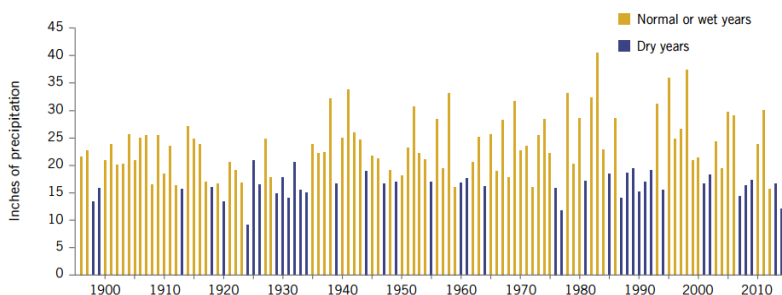
Drought fueling massive fires

Presentation Overview



California Drought: A Long History

DROUGHTS ARE A RECURRING FEATURE OF CALIFORNIA'S CLIMATE



SOURCE: Western Regional Climate Center.

NOTE: Bars show California statewide average precipitation based on water year (October–September) since 1896. Dry years are those classified as critical or dry in the Sacramento Valley based on the California Cooperative Snow Survey, which takes into account the previous year's precipitation. For 1896–1905, dry years were estimated by comparing precipitation to the rest of the record. The three-year period between October 2011 and September 2014 was the driest on record.

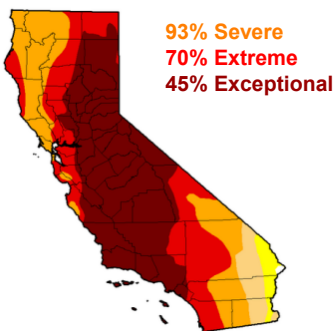
Source: PPICWater Center

2015 Drought: Four Years and Counting

The Bad News:

- + First-ever statewide mandated water use reductions in effect
- + Australian-style “Millennium Drought”

U.S. Drought Monitor – Nov. 10, 2015



2015 Drought: Impacts and Challenges

- + High temps, reduced snowpack, low flows = "Drought of the Future"
- + Wildfires, hydropower impacts, ecosystem stress, groundwater subsidence
- + Continued drought will present more challenges



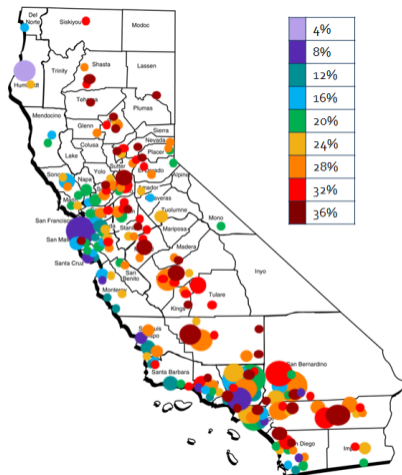
Some Good News: Better Prepared For Drought Than Ever Before

- + Huge local and regional investments in past two decades
 - + Statewide GPCD reduced
 - + Substantial investments in regional storage
 - + Increased water marketing



We were prepared!

Managing the Drought



- + Emergency regulations, mandatory conservation
- + Save Our Water public education campaign
- + Increased water marketing to move water where its needed
- + Substantial local/regional investments have protected state's overall economy

2015 Drought: Mandatory Rationing

The Good News

- + Unprecedented outreach by ACWA members
- + Water suppliers exceeded conservation targets in June, July, August and September
- + Californians are stepping up in a big way



2015 Drought: Mandatory Rationing

The Bad News

- + Discourages investments in local and regional solutions
- + Huge costs for water agencies
- + Significant reductions in revenues
- + Reality check: water rate increases necessary
- + Drought fatigue for customers



Mandatory Conservation: A Divided Road

"Isn't it good to be prepared?"

"Shouldn't we all share in the pain?"



We're all trying to get to the same destination

2015 Drought: Key Takeaways

Urban Sector

- + Local, regional investments have paid off, big time!
- + Economy largely shielded from impacts
- + The “real” story of this drought may be the resilience of our economy

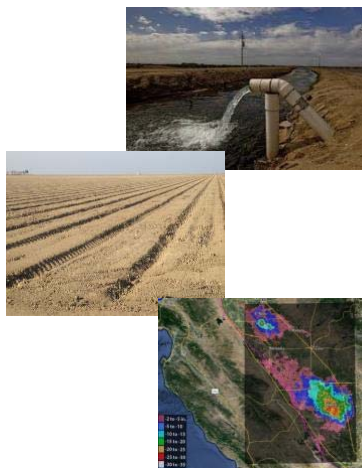


Source: PPIC, August 2015

2015 Drought: Key Takeaways

Agricultural Sector

- + Groundwater pumping, water transfers staving off major losses
- + 550,000 acres fallowed (6% of total acreage)
- + Overall ag economy showing resilience
- + Pumping is accelerating subsidence

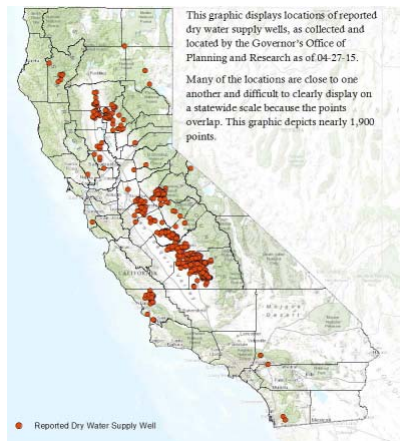


Source: PPIC, August 2015

2015 Drought: Key Takeaways

Some rural communities at risk

- + 2,000+ dry domestic wells already
- + 100+ small water systems in trouble



Source: PPIC, August 2015

2015 Drought: Key Takeaways

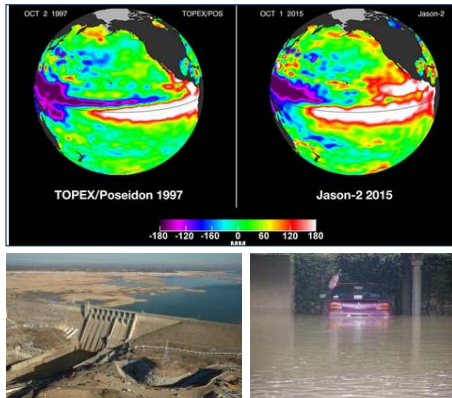
Ecosystems at severe risk

- + 18 fish could face extinction
- + Permanent loss of conifer forests
- + Waterbird mortality



Source: PPIC, August 2015

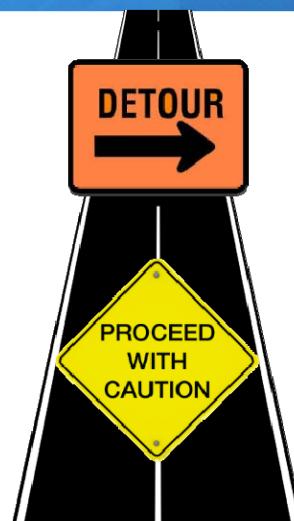
2015 Drought: Will El Niño Save Us?



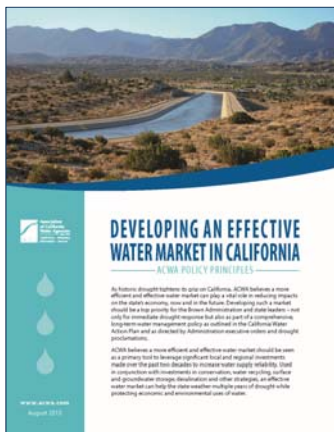
- + Projections point to fierce El Niño
- + Same class as 1982-83 and 1997-98

Near-Term Focus for ACWA: Emergency Drought Regulations

- + 27.3% saved in June; 31.3% in July; 27% in August; 26% September
- + Regs in place through February
- + State Board work group process
- + ACWA engaged, working with member subcommittee
- + Advocating more flexible approach that recognizes past investments and emphasizes market



Near-Term Focus for ACWA: More Effective Water Market



Approved by ACWA Board on July 31

- + Supports existing water right priorities
- + Advocates greater reliance on market (not regulatory) forces
- + Commits to working with Administration/others
- + Partnership with EDF
- + ACWA Tech Advisory Committee developing specific recommendations

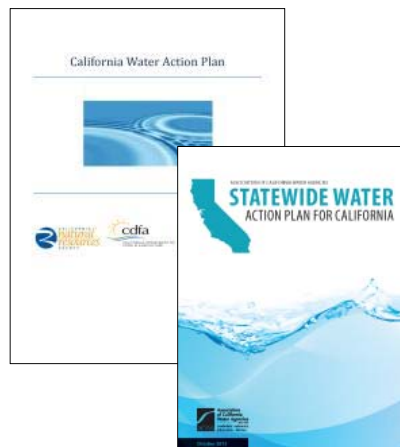
What About Longer Term?

- + Implement the plan the governor has put on the table
- + Drought need not impair the California economy, if we stay prepared



The Comprehensive Water Plan “In a Nutshell”

1. Conserve more
2. Store more
3. Fix the Delta
4. Manage groundwater
5. Provide safe drinking water
6. Invest in habitat and watersheds



ACWA: Keeper of the “Comprehensive” Water Policy Flame

2015 Focus:

- + Investing in Storage
- + Implementing SGMA
- + Modifying Proposition 218?
- + Investing in Habitats and Watersheds
- + California WaterFix in Context



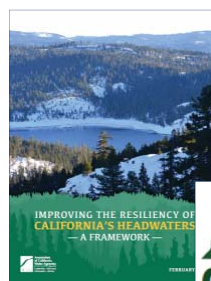
Modifying Proposition 218?

- + Strong interest in addressing current impediments to conservation rates, lifeline rates, stormwater recovery
- + Working with partners on Nov. 2016 ballot measure



Investing in Habitats and Watersheds

- + Building on ACWA's Headwaters Framework
- + Emphasizing importance of headwaters to the state's overall water system
- + CAFWA partnership gaining traction
- + Coalition working in D.C. for better forest management



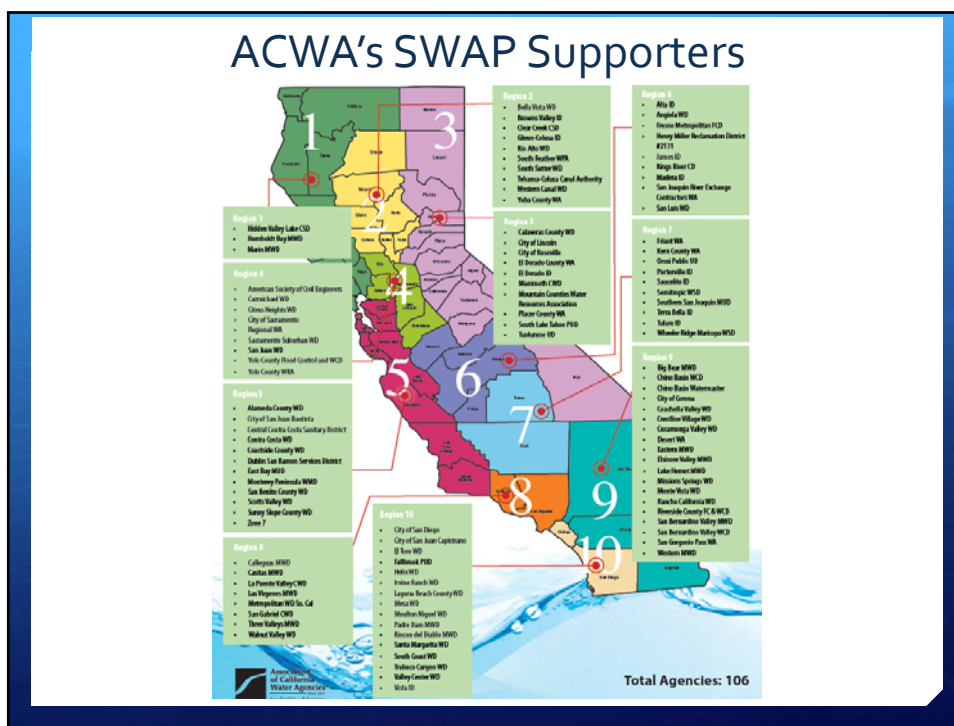
What About the Delta?



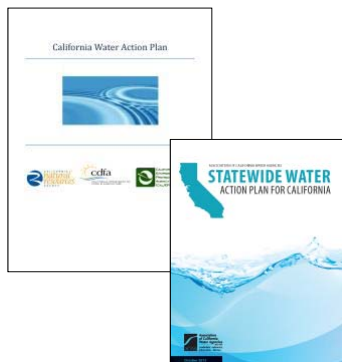
A New Approach



- + If we focus on the Delta alone, all we will have is an argument
- + Sometimes you have to grow a problem to solve it
- + Delta solutions make the most sense in the context of statewide policy



Focusing on California Water 2.0



- + External Affairs effort on California Water Action Plan
- + Status report on what's been accomplished, what's left to do
- + Put Delta Fix in context of true statewide plan
- + Stay tuned – statewide briefing planned for Jan. 14, 2016

Questions?

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