

# Critical Issues

## January 27, 2014

### Threshold Issues Requiring Attention

- **The current level of federal effort is jeopardizing the BDCP.** The engagement of the federal agencies must dramatically improve to ensure that water supplies and species populations improve. The available solutions are limited to direct communication between the governor, Senator Feinstein and the White House. The purpose of that communication is to secure a commitment from the federal administration that it will direct its agencies to participate in the BDCP as a full partner with the state and as a project proponent.
- **The BDCP proposed project provides insufficient water supplies.** As currently proposed, the BDCP will not result in sufficient water supply benefits to support a decision to continue funding the development of this program. In general terms, the BDCP should result in a level of water supply reliability of approximately 75% for both SWP and CVP water service contractors. The available solutions are to increase the yield of the BDCP through changes in default assumptions, to implement publicly funded programs that help meet environmental water demands, and, given the substantial commitment of water and other resources being made in BDCP, to establish a minimum water supply below which water will not be taken from SWP and CVP water service contractors for other purposes, including environmental purposes.
- **The cost of the BDCP is high, and there is significant concern that it will increase.** Recent experience shows that the cost of large public works projects tends to increase during construction. The cost of the BDCP is so high there is no room for any increase in cost. To reduce the likelihood of cost increases during construction, all costs need to be controlled by the entities that choose to fund construction of the BDCP. The available solutions are to allow DWR to retain design approval, while delegating all construction-related decisions to the local public agencies that volunteer to pay for the construction of the tunnels.
- **The BDCP's regulatory assurances to permittees are weak.** Strong regulatory assurances increase the willingness of local public agencies to fund the BDCP and construction of the new conveyance facilities. The assurances currently included in the BDCP are unclear and uncertain. The available solutions include clear delineation of permittee commitments of water, financial and other resources so that permittees can rely upon a minimum water supply from the project, and clear commitment that a lack of funding by the state and federal agencies doesn't invalidate the permits for operation of the new conveyance facilities.

**Additional detail on each of these issues and possible solutions were provided to the governor's staff in prior meetings.**