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September 29, 2011

Mr. Phil Isenberg
Chairman
Delta Stewardship Council
980 Ninth Street, Suite 1500
Sacramento, CA 95814

Dear Chairman Isenberg:

Subject: Comments on the Fifth Draft of the Delta Plan

On behalf of the Los Angeles Department of Water and Power (LADWP), thank you for this opportunity to comment on the fifth draft of the Delta Plan. The LADWP is the largest municipal utility in the nation and is committed to delivering safe and reliable water to over 600,000 customers. On average, LADWP purchases over 50 percent of its water supply from the Metropolitan Water District of Southern California, which is a State Water Project Contractor. As such, the City of Los Angeles (City) has a vested interest in the timely achievement of the co-equal goals of providing a more reliable water supply for California and protecting, restoring, and enhancing the ecosystem of the Sacramento-San Joaquin Delta (Delta).

In 2009, the City and LADWP supported the landmark Comprehensive Water Package, including the Delta Reform Act and the establishment of the co-equal goals for the Delta. While LADWP appreciates the ongoing work of the Delta Stewardship Council (Council), we have concerns that some approaches and recommendations outlined in the fifth draft will detract from or delay the achievement of these goals.

LADWP continues to support the Bay Delta Conservation Plan (BDCP) as the appropriate mechanism for the identification and approval of Delta ecosystem restoration actions and conveyance improvements. The fifth draft of the Delta Plan does not clearly and unambiguously support a key objective of the BDCP, specifically the recovery of water supplies lost as a result of Delta regulatory restrictions. LADWP believes that this is vital to achieving the co-equal goals for the Delta.

Water and Power Conservation ... a way of life

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The timely and cost-efficient implementation of the BDCP is also critical to success. The BDCP already requires numerous layers of analysis, including risk analysis, independent cost analysis, and environmental review of the available alternatives, as well as an approval process that includes six separate state and federal agencies. LADWP believes that the fifth draft Delta Plan's proposal, which would require each significant future BDCP action to undergo additional review by the Council, is unnecessary, time consuming, and potentially costly. LADWP believes that Council review of the entire BDCP is the more efficient and expedient approach to make a final decision on its consistency with the Delta Plan.

LADWP is also concerned about Finance Plan Framework recommendation Number 12, which calls on the legislature to create a public goods charge (PGC) for water that would be imposed on urban and agricultural water users. LADWP and the City are currently opposed to Senate Bill 34 (Simitian), which proposes a PGC to fund the public benefits of water projects, including grants and expenditures to implement the Delta Plan. A PGC like the one proposed by SB 34 would impact local revenue control by funneling collected monies to the state without providing assurances that high-priority local projects will be adequately funded. LADWP is currently facing unprecedented costs to comply with increasingly stringent safe drinking water standards while having to make significant, ongoing financial investments to develop sustainable local water supplies. Given the current economic climate, successfully increasing local water rates to cover these costs is becoming more and more challenging, and the addition of a statewide fee would increase these challenges even more.

Maintaining local control of revenues and water management decisions in order to meet the unique needs of individual communities is vitally important to water agencies across the state. As such, LADWP believes the Council should focus its energies on coordinating the many local, state and federal efforts in the Delta. Focusing Council efforts on Delta-specific issues will help ensure that the co-equal goals will be achieved as effectively and expediently as possible.

Once again, thank you for the opportunity to comment on the fifth draft version of the Delta Plan. If you have any questions, please contact Mr. David R. Pettijohn, Manager of Water Resources Development, at (213) 367-0899.

Sincerely,



James B. McDaniel
Senior Assistant General Manager – Water System

DRP:kao/sy

c: Mr. David R. Pettijohn