

Board of Directors
The Metropolitan Water District of Southern California

My name is Ron Gastelum. I served with some of you on the Metropolitan Board as a former board member (1998-99). I am also a retired CEO and General Manager of the District (1999-2004). Before that, I served in the late 1970's and early 1980's on the Met legal staff, and as your legislative advocate in Washington D.C.

I was at Met in 1982, the last time we had a real opportunity to fix Delta water supply conveyance, the basic structural flaw in the State Water Project. We were not successful. We saw the problem then, and time and events have confirmed our fears. We need to do what we can now to solve it.

I continue to stay engaged on the issue as a board member of various organizations that care deeply about the Delta, the people of California, and our environment. I am a member of the boards of The Nature Conservancy, California Chapter, the LA Area Chamber of Commerce, Water Education for Latino Leaders (WELL), and the Southern California Water Committee. All of my experience has contributed to the advice I offer here on this subject of such critical importance to California, and the Member Agencies that Metropolitan serves.

I have remained a resident of the District, and I understand the significance of this moment. I also believe deeply in the Mission of Metropolitan. The views expressed are my own.

I am writing to urge your Board to support Governor Brown's proposal to move forward on a long overdue plan to construct new water supply and environmental protection facilities in the Sacramento San-Joaquin Delta (the "Delta").

The Governor's Plan will make the existing State Water Project (SWP) water conveyance facilities more efficient. It is specifically designed to reduce waste of water and harmful impacts on native fish species in the Delta attributable to the existing unsustainable means of water diversion in the Delta by the SWP, the federal Central Valley Project (CVP), and many others. The Plan will also make the entire SWP more adaptable to Climate Change.

Contrary to self serving claims from Delta area opponents, economically reliant on the status quo to protect long standing farming and fish industry practices in the Delta, which are largely responsible for the Delta's problems, the Governor's Plan will protect endangered fish, and promote restoration of the Delta's highly altered man-made environment of channels and levees that surround sinking farm land.

The companion initiative by the Governor to restore large areas of the Delta to improve native habitat is as essential as new conveyance to restore the Delta to a condition that can sustainably support native and endangered fish populations. This strategic land restoration plan will be aided by progressive state policies that incentivize sustainable farming practices. A particularly promising one would offer Delta farmers

lucrative carbon credits to stop massive carbon emissions from destructive tilling in peat soils, a practice that has and continues to be the single greatest reason for the land subsidence on the islands. The hydraulic pressure on levees that results from the growing differential in Delta water channels and island land levels produces a force that these levees were never designed to withstand.

You have heard broad claims from opponents to the Governor's Plan. I respectfully urge you to closely examine the facts and assumptions underlying these claims. The political, economic, and technical ramifications of rejecting the Governor's Plan in favor of a general resolution to pursue "local water supply alternatives" cannot be over emphasized.

The "Bird in Hand" is a SWP supply that can be made more reliable, environmentally responsible, and efficient at an affordable cost using existing authorized financial structures. The alternatives on a per unit basis, which is the most relevant means of comparing cost and utility, will require new political decisions, CEQA compliance, local neighborhood review for impacts, and ultimately, may require new voter approval.

In my experience, there will always be complex cost allocation issues presented by the distinctly different legal and economic structures that support the three main user groups of water in California; cities, farms, and the environment. Serious good faith negotiations will be required to arrive at a fair allocation of costs for the Governor's Plan. These negotiations may result in a plan

that may not be perfect, and different in various ways from the proposed plan, but that should not deter you from pursuing a fair financial solution that can still effectively deal with the core environmental and conveyance problems in the Delta.

As a Latino, that has spent most of my career working in the environmental and water supply field, I would like to close with the observation that most Latinos and other people of color in Los Angeles are of low and moderate income means. Investments in new infrastructure are almost always more costly than investments to make existing infrastructure more efficient. Because Met is financially structured to build, operate, and maintain the region's imported water supply from the SWP and the Colorado River with rates and taxes that can be equitably spread across the entire Southern California urban area, it can pay for its share of the Governor's Plan with a modest and manageable impact on local rates and taxes. All residents and businesses get the benefit of being part of this cooperative, and most particularly, low and moderate income residents and businesses when these costs can be spread over such a large rate base.

As awareness and public discourse on Environmental Justice in the context of water supply evolves, I believe that one fundamental principle will become abundantly clear. Low and moderate income people of color, and everyone else that need clean and affordable water, are most equitably served when our existing water supply systems are maintained and made more efficient to take advantage of large public investments already made over many years. While expensive new local water supply

facilities will undoubtedly be part of our future, the financial ramifications on a significant part of our residents and small businesses of not taking this opportunity to improve the SWP, as proposed by the Governor, should be carefully weighed.

For the good of the region, and the residents and businesses served by all the Member Agencies, I urge your support of the Governor's Plan. I also urge that the District continue its planning and pursuit of more local water supply, especially recycling, which next to your imported supplemental supply, offers the most affordable and significant new supply to meet our needs into the future. Both are compatible in a diverse portfolio of resources that is affordable for all. They can also compliment each other in meeting the challenges of providing a reliable source of good clean water under the highly variable climate and regulatory conditions that a good public water supply system must anticipate and be able to meet.

Ron Gastelum