Muni/Western Ex. 10-29

Testimony of Steve Macaulay

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Qualifications

- Statement of Qualifications: Exhibit 10-2
- 34 years active involvement, wide range of California water resources issues
- State regulatory, water resources planning and development experience
- Extensive technical and policy experience

Purpose of Testimony

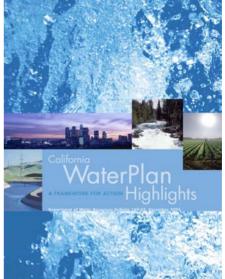
- Water management in Santa Ana River watershed
- Statewide benefits of additional local supply and storage
- Advancing integrated regional water management -- State policy

Elements of Testimony

- Historic water management
- Major water resources challenges facing the region
- Project benefits in context of local and statewide water resources

Historic Water Management

- 2005 Calif Water Plan Update summarizes extensive progressive water management activities
 - Local/imported supplies
 - Conservation
 - Recycled water
 - Brine lines, desalination
 - Groundwater remediation
 - Groundwater conjunctive use
 - Watershed management



Salinity is Key Driver for Water Management

• Santa Ana Water Project Authority actions, activities

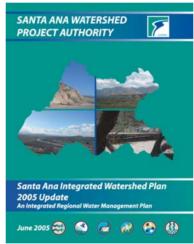




- Southern California Salinity Coalition
- MWD/USBR Salinity Management Study
- Orange County Groundwater Replenishment System

Water Conservation

 Extensive activities throughout Santa Ana River watershed



- Western / MWD actions
- Muni actions



Continued Pursuit of IRWM

- 1995 Muni Master Plan
- Extensive SAWPA plans, programs
- Integrated Regional GW Management Plan for Upper Santa Ana River almost complete
- Basinwide approach, multiple strategies
 - Santa Ana sucker
 - Key water quality components (N, TDS, perchlorate)
 - Watershed fires
 - Groundwater -- liquifaction, contamination, restore storage

Major Water Resource Challenges in Region

- Imported water reliability, costs
- Local storage
- Increased recycled water use
- Increased conservation implementation
- Water quality

□ Imported Water

- SWP reliability addressed in 2002, 2005 DWR special reports
- 75 percent average contract deliveries
- Below 50 percent in dry years
- Less in droughts
- As low as 4 percent in extreme critical year (repeat of 1977)
- High cost of pumping from northern Calif
- Delta vulnerable -- Governor's Executive Order S-17-06

Local Storage

- Delta vulnerability heightens need for local storage
- Local actions taken in past decade to expand storage
 - MWD Diamond Valley Reservoir
 - CCWD Los Vaqueros Reservoir
 - SDCWA Olivenhain Reservoir
 - Extensive groundwater storage programs

Increased Recycled Water Use

- Water recycling underway in basin
- Greater potential -- State Recycled Water Task Force
- Key issues continue to be water quality, public acceptance
- Long-term strategy

Increased Conservation

- One of 25 water management strategies in Calif Water Plan
- Not "either/or" choice
- Substantial continued future water savings potential
- Implementation challenges with all tools
- Project assumes 10 percent additional conservation savings -- consistent with regional planning
- State Landscape Task Force report -- additional outdoor savings possible, significant challenges to getting there

Water Quality

- Salinity management critical
- Upper Santa Ana River lower in salinity than imported supplies
- Lower salinity water helps with groundwater basin remediation
- Santa Ana Regional Board actively working with basin water interests in managing nitrogen, salinity

Why Project Makes Sense, Local and Statewide Water Resources

- Value of diverse water portfolio: reduce risks, improve reliability, respond to future uncertainty including climate change
- Project is part of regional portfolio, regional partnership
- 2005 Water Plan Update strongly favors regional approaches diverse portfolios



Why Project Makes Sense, Integrated Regional Water Management

- Intermittent Santa Ana River water improves quality, helps remediate GW
- Lower salinity expands opportunities for reuse
- Restored GW basins expand regional storage
- Increased conservation can reduce imports, saving \$\$\$ and aiding salinity management
- Conservation and salinity must be managed carefully
- Increases use of existing facilities (Seven Oaks Dam)