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CONTACT:

Fiona Hutton
Ann Newton
(818) 760-2121

**STATE WATER CONTRACTORS RESPOND TO INITIAL STATE WATER PROJECT
ALLOCATION PROJECTION**

Sacramento, CA – *The California Department of Water Resources announced today that the State Water Project contractors are initially projected to receive only five percent of their annual contracted amount of water. Five percent is the lowest initial allocation in the history of the State Water Project. The following is a compilation of responses from the State Water Contractors and several of its member agencies:*

“On the heels of three years of drought and ongoing regulatory restrictions, we are now bracing for yet another year of painfully limited water supplies. The combination of dry weather and regulations has made it more than challenging for the state’s public water agencies. We have increased our already aggressive conservation programs and instituted mandatory rationing but, there’s not a lot more that we can do. We can hope for a wet winter but, we also need to expedite fixing the Delta so that when it does rain, we can actually use the water that’s available. That’s the only way to ensure that the 25 million people, businesses and farms that rely on the State Water Project will have a reliable supply in the coming decades.”

Laura King Moon
Assistant General Manager
State Water Contractors

“If this is all the water available, we have to have a Delta solution that lets us make the most of it. Even if we conserve and tap into all of our available water sources, a low state water allocation means we are looking at potential service area shortages, near-term groundwater overdraft and the risk of future saltwater intrusion into our groundwater basin.”

Walt Wadlow
General Manager
Alameda County Water District

“Silicon Valley depends on imported water for a majority of our supplies to keep the local and state economy running. Though the drought has contributed to today’s low allocation the Delta bottleneck will still keep allocations lower than normal. Consequently, the Santa Clara Valley Water District has

called for 15% mandatory conservation to stretch our limited supplies and reserves. To date, our community has responded with 19% conservation.”

Beau Goldie
Chief Executive Officer
Santa Clara Valley Water District

“In the Coachella Valley, imported water is key to replenishing our underground aquifer and ensuring a reliable water supply well into the future. If the State Water Project allocations remain low, mandatory conservation efforts may be required. Additionally, the ability to provide water service to new development may be jeopardized. It's easy for Southern Californians to forget that water decisions in Sacramento have a direct impact on their livelihood. If anything, this low projection underscores the importance of fixing the Delta to ensure a reliable water supply for the entire state.”

Steve Robbins,
General Manager and Chief Engineer
Coachella Valley Water District
President
State Water Contractors

“The Central Coast depends on state water to curtail groundwater overdraft and to improve general water quality. Continued years of low allocations may initiate a return to the overdraft of local water supplies, mandatory conservation and increased costs. Until the problems in the Delta are solved, the reliability of our water supplies will remain threatened.”

William J. Brennan
Executive Director
Central Coast Water Authority

“Today’s allocation announcement is just further evidence that the state’s water crisis isn’t going away on its own. Be it because of drought, water restrictions or both, water agencies are continually facing shortages. We can only hope for precipitation, but there are other necessary, tangible solutions at hand that will make our water supply more reliable. Central to those solutions is fixing the failing Delta and restoring more reliable water deliveries to our cities and farms. Until that happens, no amount of rain will ensure we get the water we need.”

Dan Masnada
General Manager
Castaic Lake Water Agency

“Water conservation is a way of life in Kern County and water supply needs to be a way of life in Sacramento and Washington, DC. This year, we received just below 400,000 acre-feet from the State Water Project. Some of the potential impacts associated with the low allocation this year were offset by withdrawing from our reserves that were stored in groundwater banking projects in past years. Still, Kern County could realize as much as \$100 million in local economic impacts. Another low allocation in 2010 will be devastating -- increasing the fallowed land by thousands of acres and under-irrigating thousands of acres of permanent crops. Every acre fallowed or under-irrigated is money lost to farm-related jobs, schools, and local services that receive taxes from the crops that used to be grown on that land.

“With no end in sight to the natural drought and the regulatory drought imposed by the federal government, Kern County will be unable to refill its vital reserves and will face major shortages. Continued low allocations could do permanent harm to our farmers’ ability to rebound from this regulatory drought and future hydrologic droughts. We will lose farms that cannot be replaced.”

Jim Beck
General Manager
Kern County Water Agency

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The State Water Contractors is a statewide, non-profit association of 27 public agencies from Northern, Central and Southern California that purchase water under contract from the California State Water Project. Collectively the State Water Contractors deliver water to more than 25 million residents throughout the state and more than 750,000 acres of agricultural lands. For more information on the State Water Contractors, please visit www.swc.org.