December 16, 2014

Mark W. Cowin, Director
Department Of Water Resources
1416 Ninth Street, P.O. Box 942836
Sacramento, Ca 94236-0001

RE: DWR/SWP Contractors Contract Amendment Negotiations

Mr. Cowin,

The City of Antioch is an interested and active public participant in the DWR/SWP Contractors Contract Amendment negotiations, which began on December 10, 2014. The City submitted comments three months ago on the BDCP Draft Implementation Agreement. We have not received a response to these comments nor have we seen a revised Implementation Agreement. We raise this as part of these negotiations since completing this contract negotiation is a critical task in the Implementation Agreement. DWR should respond to Implementation Agreement comments received and release the revised Implementation Agreement for public review.

The purpose of these negotiations is to address the allocation of the costs associated with the BDCP among State Water Project Contractors. This includes allocating benefits such as water supply from implementation of the BDCP. This raises the question of when a comparable Federal process with CVP contractors will begin. How BDCP benefits will be shared between the Federal & State Projects needs to be clearly identified as part of the negotiations for these Contract Amendments. The public needs to understand the range of costs being assumed by its public water agencies who are state contractors.

The State Water Project Contractors will be responsible for their allocated share of the BDCP planning, capital and operating costs. The methodology used to pay these costs needs to function even if the water supply and reliability benefits predicted by the BDCP are not realized. State taxpayers should not be the backstop for the debt service and fixed costs incurred for implementing the BDCP and its large capital projects. Bonds sold for construction should be issued and underwritten by the state contractors. Previous allocation of costs for the State Water Project led to the need for the historical Monterey Agreement, we should not repeat the same allocation methods that led to this.

Sincerely,

Ron Bernal

Ron Bernal, P.E.
Public Works Director / City Engineer

c: Carl Torgeson, Deputy Director, Department of Water Resources
Ted Alvarez, Supervising Engineer, Department of Water Resources
Kelsey Rugani, Kearns & West, Inc.

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