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FOR IMMEDIATE RELEASE:

May 16, 2024

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State Water Contractors Respond to Delta Conveyance Project Benefit-Cost Analysis

With benefits more than double the cost, State Water Project supplies remain the most affordable option

Sacramento, CA — Today, the California Department of Water Resources (DWR) released a benefit-cost analysis for the Delta Conveyance Project (DCP) that finds the project will deliver nearly \$38 billion in benefits. For every \$1 spent, the project will generate \$2.20 in benefits, which include critical climate change adaptation, improved resilience to sea level rise and earthquakes that can disrupt deliveries, and improved water quality and reliability for the 27 million Californians, 750,000 acres of farmland, and countless businesses that depend on State Water Project supplies.

Statement from Jennifer Pierre, General Manager of the State Water Contractors:

“If we do nothing to shore up the State Water Project’s aging infrastructure, California’s primary and most affordable water supply faces continued reliability risk and remains vulnerable to increasing weather extremes that could lead to supply disruptions. DWR’s analysis demonstrates that the Delta Conveyance Project’s benefits far outweigh the costs and that investing in the project is more efficient and economical than allowing our current infrastructure and supplies to decline.

In the last few years, we have seen that our wetter months are becoming much wetter, and drier periods are drier and hotter. The Delta Conveyance Project is critical to respond to fluctuating hydrology and weather extremes, increasing our ability to capture, move, and store rainwater in wet periods so we can use it during dry times. In fact, had the project been operational just between January 1 and May 9 of this year, an additional 909,000 acre-feet of water could have been captured and stored while keeping endangered species safe and meeting all water quality requirements in the Delta.

Over the last decade, the Delta Conveyance Project has been downsized, refined, and redesigned to avoid and reduce local impacts and address environmental concerns. As demands on urban water supply increase, the SWP will continue serving as a critical

component of each water agency's overall portfolio of supplies. The Delta Conveyance Project will ensure continued State Water Project reliability of affordable, high-quality supplies.

Today's updated cost estimate, which accounts for inflation, shows that the project's costs are holding steady and remain flat compared to 2020 estimates. An estimated \$1.2 billion in additional cost-savings are also expected through design refinements.

The project is funded by the participating agencies through local revenues, not the state's General Fund. Recognizing that State Water Project supplies clearly remain among the most economical sources of water, participating public water agencies will fully fund the project to maintain this critical infrastructure.

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