

AGENDA ITEM 7: Metropolitan Water District of Southern California purchase of Delta islands

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Requested Action: **Receive report on Metropolitan Water District purchase of Delta islands**

Background: Metropolitan Water District of Southern California (MWD) completed its \$175 million purchase of five Delta islands totaling almost 20,000 acres in San Joaquin County (Bouldin Island and Bacon Island), Contra Costa County (Webb Tract and Holland Tract) and Solano County (a portion of Chipps Island) on July 18.

In its comments before the purchase of the properties, MWD primarily expressed an interest in exploring habitat restoration on the properties. Bouldin Island and Bacon Island lie on the proposed Delta tunnels alignment, and presumably these two islands would be used as staging areas and spoils sites for tunnel material, should CA WaterFix ever proceed. The agency stated that it did not intend to proceed with the proposal by previous property owner Delta Wetlands Properties to create reservoir storage on Bacon Island and Webb Tract.

The counties of San Joaquin and Contra Costa, along with Central Delta Water Agency and other private parties, challenged MWD’s CEQA notice of exemption in Superior Courts in San Joaquin , Contra Costa and Solano counties; following an unsuccessful effort to convince the courts to prevent the closing of the sale, these lawsuits proceed and have yet to be coordinated. In addition, Central Delta Water Agency (CDWA) has filed suit in Contra Costa County Superior Court to require MWD to abide by the terms of a settlement agreement between CDWA and Delta Wetlands Properties (the previous property owner).

Commission Chair Piepho authored an opinion piece in the Sacramento Bee on July 24 that described ways that MWD ownership could either “do no harm or even be positive for the Delta”: specifically, she mentioned payment of property taxes and assessments (only some of which a public agency like MWD is obligated to pay), participation as a member of the Delta levee community and acknowledging the system-wide nature of the Delta levee system, adoption of the DWR “good neighbor” policies that minimize the impact of restoration activities on nearby agricultural operations, and employing new and innovative techniques to halt and even reverse subsidence on Delta islands.

There are other questions that are relevant now that MWD owns these properties:

- What are MWD’s current thoughts on uses of the properties?
- Is MWD planning on flooding the islands?
- As an absentee landowner, what are MWD’s thoughts on being good neighbors in the Delta?

- How will MWD’s plans benefit the Delta economy?
- How does MWD view the relationship between these properties and CA WaterFix?
- Has there been any discussion with State agencies about purchase of some of the properties from MWD, or any discussion about reimbursements to MWD for purchase of the properties?

Randy Record, Chairman of the Board of Metropolitan Water District of Southern California, and Stephen Arakawa, Manager of Bay-Delta Initiatives for MWD, will present to the Commission on MWD plans for the five Delta islands. Mr. Record is a Riverside County farmer, board member of Eastern Municipal Water District (Perris) and a past President of the Association of California Water Agencies. Mr. Arakawa is a civil engineer who has worked for nearly 30 years with MWD, and was previously a staff engineer with DWR.