

HONORABLE MAYOR AND CITY COUNCIL
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the ecosystem while providing a reliable water supply for current and future beneficial uses. The EIS/EIR was released to gather public comments on the range of possible environmental consequences associated with each of the program alternatives. Site-specific, detailed environmental impact analysis will take place for the elements and facilitate the selection of the final proposed alternative prior to their implementation.

ANALYSIS

Written comments on the Programmatic EIS/EIR are due July 1, 1998. CALFED will review comments and refine its proposed program. A revised EIR/EIS, including a draft preferred alternative, will be available for review and comment on December 15, 1998. CALFED intends to select a final preferred alternative in 1999.

The three alternatives contain six "common program elements", namely:

- Water Use Efficiency (includes Water Recycling)
- Levee System Integrity,
- Ecosystem Restoration,
- Water Transfers,
- Watershed Management and
- Water Quality.

Various combinations of upstream, instream and south of the Delta storage facilities are proposed. Channel modifications and the "isolated facility" have been proposed as part of alternatives 2 and 3. The three alternatives are distinguishable by their relative emphasis on the construction of new facilities and projects.

Alternative 1

This option would use the existing conveyance system with environmental refinements and increase storage capacity upstream and south of the Delta. This alternative proposes no channel modification or other new construction. Increased flows for environmental users would be met through purchase of existing waters from willing sellers.

Alternative 2

This option is known as the "Modified through Delta Conveyance" and proposes increased storage, changes in flow management and levee improvements for ecosystem restoration, and channel modifications to increase conveyance efficiency. Increased flows for environmental uses would be met through purchase of existing waters from willing sellers.

Alternative 3

This option proposes an "isolated facility", (i.e. peripheral bypass canal) to deliver water from the Sacramento River to State Water Project (SWP) and Central Valley Project (CVP) pumping facilities near Tracy. Increased flows for environmental users would be met through purchase of existing waters from willing sellers. It is otherwise identical to Alternative 2.

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The preferred CALFED solution could likely be a hybrid of the most favorable elements from three alternatives. Phasing of these elements over a ten to thirty year period is a key concept promulgated by CALFED. Assurances linking the successful realization of early elements before the implementation of latter elements are posited as necessary programmatic requirements. Ecosystem monitoring during implementation will influence the phasing of the preferred alternatives.

Status of the CALFED EIR/EIS Process

The EIR/EIS process is the its earliest stage. It is advantageous to inform CALFED of the City's concerns about the direction of CALFED's program and continue to closely monitor the process. Cooperation with CALFED is not only good for the South Bay, but would benefit the Bay-Delta ecosystem and stakeholders as well.

The Administration recommends that the statements forwarded from the City of San Jose follow from San Jose's adopted policies; namely the San Jose 2020 General Plan, Watershed Management Initiative, Water Policy Framework, and Sustainable Cities Major Strategy. As such, the City of San Jose's endorsement of the CALFED program's objectives and comments are consistent with existing policies.

CALFED's "solution principles" and "program concepts" agree with many of the strategic directions and guiding principles of the City's Water Policy Framework. For example, the phased CALFED program relies heavily on adaptive management, or using monitoring data to adjust and optimize management actions to achieve overall program goals. The City is currently using adaptive management to refine its non-point source pollution control program. Lessons learned from our efforts in this area, and in water conservation and water recycling, could help inform CALFED's efforts.

Sustainability is defined in the City's policy documents as "an approach to resource use and management intended to allow for meeting present needs without compromising the ability of future generations to meet their own needs" (*Water Policy Framework*, p. 54).

The following concerns are articulated in the City's comments:

1. Programmatic Phasing for Water Supply and Quality Objectives based on Common Element Assurances.
2. Pollution Prevention for all waters which flow/discharge/drain to the Bay Delta.
3. Support to Achieve Water Reuse and Efficiency Objectives.
4. Inclusion of South Bay ecosystem restoration efforts in the CALFED Ecosystem Restoration program.
5. Clarification of the Restoration target for the Bay Delta ecosystem.

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Concerning the issue areas listed above, Councilmember Johnson presented preliminary comments on behalf of the City at CALFED public hearing on May 18, 1998.

The preparation of this memorandum has been coordinated with the Santa Clara Valley Water District. The District is preparing comments on CALFED EIR/EIS and the District Board will have discussed these comments on June 16, 1998. The City will cooperate with the District in order to make the strongest case possible for our region's mutual interests.

The District staff has developed a letter with local organizations and agencies. The letter will be transmitted for the Mayor's signature. The letter is consistent and in agreement with concerns outlined in this report.

The Water District's comments on the CALFED process, conservation and recycling, water supply reliability, water quality, equity in funding for ecosystem rest - largely agree with the objectives of our Water Policy. For over three years, the District (District) has represented the City's interests in the CALFED process. District Director Kamei sits on Bay Delta Advisory Committee and District staff person Amy Fowler has the lead responsibility for the District in monitoring the process.

The District's concerns center on the potential impacts of each CALFED solution on the quality of future water supplies. The District and the water retailers in the region are particularly concerned about the impacts of a CALFED solution on the reliability and quality of future water supplies, especially the costs of treating water to meet more stringent Safe Drinking Water Act (SDWA) standards. This issue is significant to water purveyors statewide. The District is now incurring large capital costs to retrofit their treatment facility for SDWA requirements. The increase in water rates due to the SDWA will be passed onto customers after deliberation by retaking bodies. Assurances that water quality and supply reliability will improve under future management regimes, especially in face of a changing regulatory climate, are at issue.

The Administration believes it is necessary to obtain more information on the CALFED alternatives to determine their relative impacts on water treatment capital costs. As part of the review process, it is the Administration's position that CALFED must provide further data and analyses to clarify the water quality outcomes associated with the proposed alternatives.

Recommendations for Further Research

The CALFED Bay Delta Programmatic EIR/EIS is a descriptive/scoping document; it does not detail the trade-offs and impacts between the alternatives. Based on the issues identified, more research is needed by the CALFED staff; specifically:

- Inadequate discussion of the cost of assuring water supply reliability;
- Insufficient data on how alternatives 1 and 2 would impact water quality;
- Inadequate consideration of the role that water transfers, water conservation, water reuse; pollution prevention, BMP's, water release timing variations, and other management-oriented solutions could have in improving bay-delta conditions;

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- Inadequate discussion of how pending changes in water quality requests could impact water quality in the Bay Delta.
- No mention of funding and technical support for South Bay ecosystem restoration programs;
- Inadequate funding levels for water reuse programs;
- Undefined restoration goal for the Bay-Delta ecosystem;
- Lack of an educational element in the proposed CALFED program.

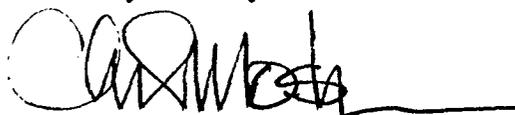
CONCLUSION

The City's Water Policy Framework states the *mission, strategic directions, and guiding principles* for the management of San Jose's water supply and watershed. The policy instructs the City to comment on actions, which affect the resources as set forth in the policy framework. With this report, the City will continue to work cooperatively with the Santa Clara Valley Water District, environmental organizations and other entities to further our interest in a sustainable water supply. As such,

- The Administration will continue to work with the Santa Clara Valley District on future correspondence to CALFED to co-sign by the Mayor and Council, the District Chairman and Board and environmental organizations.
- Provide detailed input on the Programmatic EIS relative to City's water policies.
- Engage in a dialogue with the Santa Clara Valley water District, CALFED and other stakeholders to provide for a solution that is consistent with the City's long-term goals and policies (San Jose 2020, Sustainable Cities Policy, and Water Policy Framework).

COORDINATION

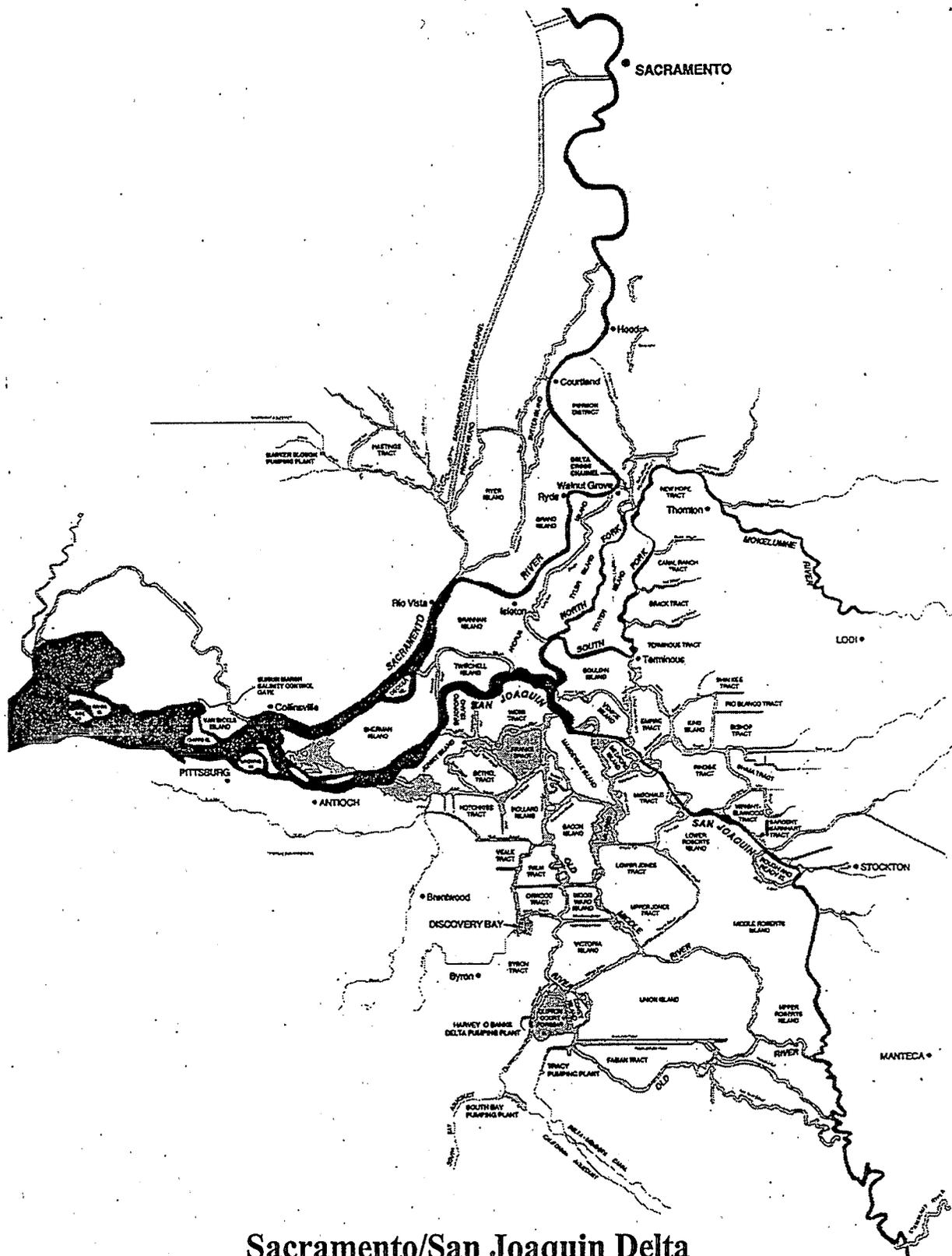
This memorandum has been coordinated with the City Attorney's Office.



CARL W. MOSHER
Director
Environmental Services Department

Attachment: City of San Jose Comments on CALFED Draft Programmatic EIR/EIS

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Sacramento/San Joaquin Delta

