

THE CALFED BAY-DELTA PROGRAM

Comments: Draft Programmatic Environmental Impact Statement/Environmental Impact Report for the CALFED Bay-Delta Program

Overview

The Orange County Business Council is committed to the success of the CALFED Bay-Delta Program.

California has an unprecedented opportunity for resource management of the state's water supplies that will offer reliability to all Californians - agricultural, environmental, and urban users. The Orange County Business Council (OCBC) is convinced that without a "fix" to the Delta, we will fail to provide all regions and sectors of our state with an affordable, reliable, and quality water future.

The CALFED process offers the Southern California community perhaps our last opportunity to advocate and see to fruition a Bay-Delta solution that not only positively addresses environmental issues but also results in a reliable supply of good quality water for the Southern California region. The economic health of the state depends greatly on the economy of Southern California which in turn rests firmly on the assurance of a good quality, reliable water supply.

Position

The Orange County Business Council wishes to ascertain that the Bay-Delta solution includes a reliable, sufficient and high quality water supply that will support the projected growth of Southern California. We believe that to most effectively meet this objective, the chosen alternative must include the following elements:

- Reliable water supply
- Delta restoration
- Highest possible drinking water quality
- Cost containment coupled with an adequate investment of resources
- Water transfers
- Water management efficiencies
- Salinity management
- Increased offstream surface storage
- Assurance agreements
- Coordinated staged implementation
- Institutional reform

Based on a review of the environmental document, OCBC has concluded that Alternative 3 is the only alternative that includes these elements. At the same time, OCBC recognizes the importance of developing an effective assurance package so that all the affected interests will have guarantees of the benefits to be received and that they bear only their fair share of program costs.

Background

The CALFED Bay-Delta Program was initiated by Governor Wilson in 1994 to address the issues surrounding the degradation of the Bay-Delta Environment and the Bay-Delta region. Incorporating the input of urban and agricultural water users, environmental organizations, the business community and others, the CALFED program was mandated by the Governor and strongly supported by the Federal Government to develop a long-term comprehensive plan to restore ecological health and improve water management for beneficial uses of the Bay-Delta system. This effort, one of the largest environmental restoration efforts in the United States to date, reached a milestone on March 16, 1998 with the publicly released draft environmental report. Comments on the Draft Programmatic EIS/EIR are due by July 1, 1998.

It is the strongly stated direction of Governor Wilson and United States Secretary of the Interior, Bruce Babbitt, that an alternative (or combination of alternatives) be identified by the end of 1998 with implementation of a program underway in 1999.

The environmental document provides analysis of three conceptual alternatives, all of which include program components to comprehensively address ecosystem restoration, water quality improvements, enhanced Delta levee system integrity and increased water management efficiency. The objectives of the three alternatives are similar, but the key variable distinguishing the alternatives from one another is how each would move and store water within the system.

ALTERNATIVE 1: Water is conveyed through the Delta using the current system of channels and levees.

ALTERNATIVE 2: Water conveyance through the Delta is substantially improved by making significant changes to the existing system of channels and levees.

ALTERNATIVE 3: Water conveyance through the Delta is substantially improved by making significant changes to the existing system of channels and construction of a conveyance facility (of some sort) isolated from the Delta's natural channels, to transport part or all of the water intended for export.

Discussion of Position

- Reliable Water Supply - Reliable physical and regulatory conditions allowing for water supply reliability through the retention of additional water supplies in higher runoff years are a crucial element to a Bay-Delta solution. CALFED Alternative 3 includes a "Dual Delta Conveyance" facility which offers the greatest opportunity for flexibility in water management for the Bay-Delta. In addition, this alternative most effectively supports a key component of the CALFED program: efficient water management programs. Alternatives 1 and 2 create unrealistic expectations with regard to urban and agricultural conservation programs.

Conservation will play a key role in meeting our state's water needs. However, the role of conservation must be kept in perspective. Conservation should be viewed as a key element to a Bay-Delta agreement to manage water wisely. The water conservation numbers proposed by CALFED must not be used as numeric targets or threshold performance levels. Instead the CALFED Program needs to prescribe methods that utilize the best management practices (BMPs) for urban agencies and the efficient water management practices (EMPs) for agricultural agencies on a cost-effective implementation basis. Volumetric targets for specific regions, enforced by delays in CALFED implementation or imposition of water-based sanctions, must be avoided.

Southern California is a leader in conservation. During the past decade, Southern California, led by the Metropolitan Water District and its member agencies, has invested more than \$0.5 billion in conservation, reclamation, and groundwater conjunctive use programs. In addition, the region is committed to maintaining a full Colorado River Aqueduct at considerable cost. As a result of these investments, which will total several billions of dollars, Southern California interests are doing arguably more than their fair share to manage water demands with available supply. However, even after this substantial investment in water use efficiency, the state's water supply infrastructure in the Bay-Delta watershed remains "broken". CALFED must adopt a plan that restores the soundness of California's water transportation and storage infrastructure.

- Delta Restoration - Environmental conditions in the Bay-Delta watersheds must be restored to provide regulatory certainty and predictability of exports, along with the ability to obtain all of the necessary permits to meet the above objectives.
- Drinking Water Quality - Delta exports must be able to meet existing and future drinking water quality standards utilizing known and cost effective treatment technologies.

- Cost and Resources – The plan must provide options which can be financed in a manner which doesn't disrupt capital improvements in the region or long-term rate targets. It should encourage support for annual state and federal funding for CALFED restoration projects according to appropriate cost-sharing agreements and the phasing plan milestones approved for the Preferred Alternatives.

We must be willing to pay for improvements that will meet water quality and water supply reliability targets and needs from the State Water Project (SWP) system. The CALFED team must prepare long-range programmatic tasks linking Bay-Delta restoration, water export milestones and funding mechanisms that establish and maintain public outreach for the CALFED program and the selected alternative. Cost containment and equitable apportionment of costs and responsibilities are critical. The plan should support local agencies' needs for assurances of water quality and storage while providing for Delta restoration. The environment, water supply, and water quality improvements are issues of great importance to the environmental and economic well-being of the state and nation. Southern California should therefore financially support its fair share but only its fair share.

- Water Transfers – The solution must provide the necessary institutional, regulatory, and physical conditions to enhance opportunities for water transfers. In particular, because of environmental restrictions on the operations of the State Water Project and Central Valley Project, the Delta is a serious bottleneck in the transportation system which impedes voluntary water transfers today. Any CALFED solution must assure that water transfers can reliably occur with minimal environmental impacts from sellers upstream of the Delta, where supplies are relatively abundant, to buyers south of the Delta.
- Water Efficiencies – We must identify and implement programs to assure cost-effective water management to reduce water waste and to conserve resources. The investments in local programs that reduce imported water demand should be emphasized as demonstrations of local interest and assurance in meeting demand reduction targets. These efforts should be continued and expanded to other urban communities.

An increased capacity for water storage is also key to the efficient management of our water supply. Storage must be a key component of the adopted plan.

- Salinity Management – We must assure that salinity levels in Delta exports maximize the opportunities for reclamation and groundwater management. CALFED Alternative 3's "Dual Delta Conveyance" facility offers the greatest opportunity for bringing low-salinity water to the SWP.
- Increased Offstream Surface Storage – In addition to increasing groundwater conjunctive use, a CALFED solution must include investments in additional, cost-effective offstream surface storage. New offstream surface storage has been shown to comprise an economical component of a long-term CALFED solution. Increased offstream storage also provides an environmentally sound means to meet future drought year water needs for both the environment and water users. Moreover, we believe that cost effective investments in surface storage will help make voluntary water transfers far more effective in the future.
- Assurance Agreements – The plan must include effective assurances for all interests that specify the benefits of a Delta solution commensurate with investments and benefits for other Bay-Delta watershed uses and interests. A solution such as CALFED's Alternative 3 which performs at a technically superior level in many of the areas described above should be matched with effective assurances for a complete "preferred alternative". Although complex by its nature, the basic tenet of an assurance package is that "we all get better together." SB 900 which provides funding for the CALFED Program and amends the California Water Code, Section 78684.12 specifies that the EIS/EIR will contain a "schedule of eligible projects" for funding and further specifies that this schedule is to "ensure that balanced solutions in all identified areas, including ecosystem restoration, water supply, water quality, and system integrity are achieved." The CALFED Program's implementation plan should link projects that meet the four basic objectives in a way that all objectives achieve benefits on an incremental basis.
- Implementation of Balanced Stages - The complexity of the CALFED alternatives contributes to the need for balanced, staged implementation. Each is composed of hundreds of individual actions, and will require decades to fully implement. A formal, balanced, staged implementation plan for the alternatives would have a number of advantages. Any alternative will likely require a number of funding, legislative, regulatory, contractual, and institutional changes that will take time to complete. Balanced, staged implementation will allow CALFED to immediately initiate other actions that don't require such long-term changes. Some of the most important actions could and should be linked to successful completion of the balanced, staged changes.

The challenge in implementing the Program in stages is to allow actions that are ready to be taken immediately to go forward, while assuring that each

interest group has a stake in the successful completion of each stage. Therefore, an implementation plan (or staging plan) should have the following characteristics:

- Each balanced stage should be completed before the next stage can begin
- No single interest group or entity should be vested with the power to prevent the Program from proceeding to the next balanced stage
- Each interest group should have strong inducements to support the completion of each and every stage
- Program elements which are outside of the control of the CALFED agencies should be implemented as early as possible to reduce the risk that outside actions may affect implementation
- Institutional Reform – We must fully embrace the concept of institutional reform with stakeholder participation leading to more efficient government through sustainable solutions characterized by adaptability and by integrated and consolidated decision-making. This institutional reform must include significant roles for both environmental and water user interests.

Conclusions

Based on a review of the environmental document, the Orange County Business Council has concluded that the elements provided by Alternative 3 are critically important to every stakeholder in Southern California's water future. Furthermore, it is essential that the implementation of the elements provide for fairly staged apportionment of environmental improvements, hand-in-hand with construction of the infrastructure necessary to allow for delivery of a reliable and good quality water supply. This does not necessarily require that the dollar amounts for environmental improvements be equal to the dollar amounts of infrastructure improvements but rather that the result of the expenditures is a coordinated program for the completion of both.

The Orange County Business Council is convinced that the challenges faced by Alternative 3 in terms of assurances and implementability can be positively addressed. In fact, by its very nature, a dual conveyance system assures both water quality and fishery health.

Since the days when the Colorado River Aqueduct was conceived and constructed, Southern California has been internationally recognized as a water-wise place to live. Effective water resource planning has been key to the high

quality of life enjoyed in most parts of California. However, the great success of this unique advance planning seems to have had a numbing effect on the level of understanding of the California population and lawmakers concerning the economic importance of water.

Now is the time – perhaps the only time – to forge a win-win solution to the Bay-Delta fix. The Orange County Business Council is committed to a strong and unified role for the business community of California in ongoing discussions leading to an effective adopted solution for California's water future.

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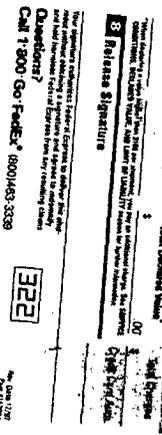
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