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Mr. Rick Breitenbach
CALFED Bay-Delta Program
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Dear Mr. Breitenbach.

**CALFED Programmatic Environmental Impact Report/
Environmental Impact Statement (PEIR/EIS) Comments**

Enclosed are the City of Los Angeles Department of Water and Power's (LADWP) comments to CALFED's draft PEIR/EIS. A floppy disk containing the Microsoft Word file of the document is also enclosed.

The City of Los Angeles (Los Angeles) is a member agency of the Metropolitan Water District of Southern California (MWD), a State Water Contractor who has approximately two million acre-feet of entitlement from the State Water Project. Los Angeles relies on MWD for a significant portion of its imported supplemental water supplies, which comes both from the Colorado River and from the Northern California's Bay-Delta. The City has fully participated in the CALFED process, fully supports the consensus building approach that CALFED has based its actions on, and endorses the guiding principles outlined below:

- ◆ Water-use efficiency is the foundation by which other program objectives should be built on. Improvements in the efficient use of water from the urban and agricultural sectors must be demonstrated prior to implementation of other projects identified by the program.
- ◆ A higher source quality must be provided through a preferred solution for drinking water consumption and local water supply management to balance against the increasing regulatory requirements and costs for water treatment.
- ◆ A preferred alternative should be implemented through a phased plan which balances benefits for the environment and water users, and provides near- and long-term benefits through effective assurances and linkages.
- ◆ The preferred solution must utilize a regulated system of water transfers to assure the efficient and productive use of water in the state.

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- ◆ Water management options such as storage, transfers, and recycling must be exercised in a manner that would improve water quality and supply reliability at a manageable cost to users.
- ◆ Costs of the preferred solution should be shared consistent with the beneficiaries pay principle and allocated in a mutually agreeable manner.

Following are policy statements to express LADWP's perspective as CALFED moves forward with the project alternative selection process.

Ecosystem Restoration

California's economic vitality is inextricably linked to the well being of the Bay-Delta ecosystem. CALFED's ecosystem restoration program should be scientifically sound, adequately funded, and long-term. Institutional arrangements should provide for an adaptive management strategy that would accommodate changes in the implementation approach should they become necessary during the project.

Water Quality

As a City reliant on supplemental water supplies from the Bay-Delta through MWD, our concerns lie in the need to have a higher Bay-Delta source water quality that our over 3.7 million customers can reliably count on, particularly in periods of water shortages. In the coming months, new rules will be promulgated from the Disinfection/Disinfectant By-Products Rule that would alter the manner of future water treatment. It is important that the selected alternative be able to assist water agencies in complying with the anticipated, more stringent water quality standards without placing risks to the Bay-Delta ecosystem and Southern California's drought-year water supply reliability.

Water Use Efficiency

Los Angeles' significant investments (over \$60 million over the past decade) in water use efficiency measures underlie its commitment to the environment. I strongly urge CALFED to develop a program based fundamentally on water-use efficiency as a foundation to solve the ecosystem problems and the water supply reliability needs of the urban and agricultural water agencies of the state. Substantial improvements in water-use efficiency measures must be a prerequisite to the advancement of other program elements that would affect the same goals. Further, CALFED should thoroughly examine and compare the economic costs of improving water use efficiencies with the potential water project construction alternatives outlined by the PEIR/EIS.

Water Transfers

A significant potential exists to provide for more effective water management for our state through the transfer market. Through the development of an efficient framework to provide protection to the environment and local communities, a unique opportunity exists to conjunctively use CALFED's common objectives of water conservation and

water transfer to further program objectives. Los Angeles supports CALFED's approach of "willing buyer, willing seller" principle.

Financing

"Everyone gets better together" is an appropriate theme for the CALFED process. It is also quite appropriate and fair that CALFED is committed to an approach that beneficiaries pay in proportion to the benefits they realize. This approach is indeed commensurate with the consensus-based process that has been undertaken, and ensures a degree of assurance that stakeholders will not be leveraging for excessive projects. CALFED is strongly urged to seek the highest degree of public assistance to ensure the financial adequacy of the program.

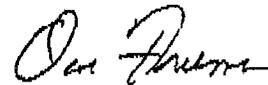
Public Involvement and Acceptance

Just as important as the technical and institutional assurances are public involvement and acceptance. The paying public must be kept apprised of and given the opportunity to fully participate in the process. Prior to committing significant ratepayer funds, assurances must be provided that all feasible alternatives have been thoroughly explored, and that only those projects that maximize the public's returns on their investments are implemented.

It is indeed a formidable challenge to develop a solution that will meet the needs of the diverse backgrounds of stakeholders involved. However, I believe that the consensus-based path that CALFED has taken gives California its best hope of solving the Bay-Delta's water management problems, and may hold the key to the future well-being of our State's vital economy.

Thank you for your consideration. We hope you find our comments of value, and we look forward to a successful continuation of the CALFED Bay-Delta program.

Sincerely,



S. DAVID FREEMAN
General Manager

Attachments

- c: Mr. Stanley E. Sprague, MWD of Orange County
- Mr. Paul D. Jones, Central Basin/West Basin MWD
- Ms. Maureen Stapleton, San Diego County Water Authority
- Mr. Stephen N. Arakawa, MWD of Southern California