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CITY OF SAN JOSÉ, CALIFORNIA

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September 20, 1999

Lester Snow, Executive Director
CALFED Bay-Delta Program
1416 Ninth Street, Suite 155
Sacramento, CA 95814

Dear Mr. Snow:

With this letter, I am writing to inform you of the City of San Jose's concerns and recommendations regarding the June, 1999 draft of the CALFED Bay-Delta Program's Preferred Programmatic Alternative and Programmatic Environmental Impact Statement/Report (PEIS/EIR).

The City supports the CALFED effort to craft a comprehensive and sustainable long-term strategy to restore the Bay-Delta ecosystem and improve the quality and reliability of water supplies. Enclosed are our recommendations. Detailed in this document are five desired outcomes that correspond to the City's regional water supply and environmental protection responsibilities.

The City thanks you and the CALFED staff for your responsiveness to our concerns. We remain committed to working cooperatively with CALFED toward an effective, equitable and timely resolution of Bay-Delta issues.

Sincerely,

Carl W. Mosher

Director

Environmental Services Department

Enclosure

CITY OF SAN JOSE

Comments on CALFED's Preferred Program Alternative and Programmatic EIS/EIR

I. Introduction

The City of San Jose in partnership with the Santa Clara Valley Water District and the tributary agencies of the San Jose/Santa Clara Water Pollution Control Plant, manages its potable and non-potable water supplies to serve the City's current population and absorb future growth projected in the San Jose 2020 General Plan. The City believes that with appropriate planning the CALFED Bay-Delta Preferred Alternative could provide a durable strategy for the next 30 years.

In May, 1999 our City Council adopted a report stating five desired outcomes, or City Interests, relative to CALFED's planning process. These concerns were incorporated into a joint message to Governor Davis and Secretary Babbitt on the development and progress of CALFED's program, dated May 18, 1999, that was signed by Mayor Ron Gonzales and 29 other Santa Clara County government and civic leaders.

In June, 1998, the City, under the signature of Mayor Susan Hammer, submitted comments on the March, 1998 draft Programmatic EIS/EIR (PEIS). Our conclusion was that the PEIS, while suggesting many plausible strategies for resolving water supply and ecosystem restoration problems, was incomplete. Specifically, it lacked the detailed information necessary to identify a scientifically-sound and politically acceptable preferred program alternative. The City's comments included recommendations on remedies that could provide the information and assurances needed to finalize the program. Our recommendation at that time was that CALFED should, prior to a final programmatic decision,

- thoroughly evaluate the benefits and costs of potential management-oriented solutions embodied in the common program elements before recommending the construction of new storage and conveyance facilities,
- produce detailed studies to evaluate the potential for water conservation, water reuse, water transfer, and off-Delta water quality improvement actions to meet programmatic objectives,
- clarify the role of scientific monitoring and adaptive management in its decision-making process,
- develop a mechanism for mitigating the unforeseen negative impacts of programmatic actions.

The CALFED program has made commendable progress, particularly in its early-stage ecosystem restoration program and water recycling program recommendations. In these programmatic areas, actual information from member agencies and stakeholders has fostered widespread confidence in CALFED's assessments of program potential and agreement on recommended actions. Programs for ecosystem restoration

(comprehensive), water quality and water conservation have made less progress since March, 1998.

Our observation is that the CALFED Program is far from being complete. We agree, with some reservations, with the recommended Preferred Program Alternative. Defensible data, particularly on baseline and future water demands, strategies for coping with water quality problems, and urban and agricultural conservation potential are needed to create the stakeholder consensus by CALFED necessary to move forward the preferred alternative.

I. Recommendations

The relationships between CALFED's programmatic recommendations and the City's interests were evaluated with the following concerns in mind:

- Overall Program Effectiveness: The proposed program should effectively address issues of importance to the City.
- Equity: Adequate assistance should be provided for City-supported programs that contribute to the betterment of Bay-Delta conditions. The costs and regulatory requirements proposed by CALFED should not be unfairly burdensome to City residents.
- Consistency with CALFED Objectives: The actions recommended for a given program should support the actions proposed for other programs.

Recommendations corresponding to the City's five desired outcomes, or City Interests, relative to CALFED's programmatic planning process are discussed below. In brief, the interests adopted by our City Council include:

1. Resolution of water quality problems affecting beneficial uses of Bay-Delta water supplies,
2. Assurance of ready and reliable imported water supplies,
3. Protection of the Bay-Delta ecosystem,
4. Continued funding support for South Bay watershed and ecosystem restoration programs,
5. Recognition that recycled water and water conservation are key components of a reliable water supply program.

City Interest #1: Resolution of water quality problems affecting beneficial uses of Bay-Delta water supplies

The City supports pollutant source control measures in watersheds above the Delta. Voluntary and regulatory actions must be equally emphasized to improve the quality of water destined for the Delta and export regions. CALFED should conduct detailed technical and economic studies during Stage 1 to identify the potential water quality impacts of the Preferred Program Alternative prior to final decisions on new surface storage facilities and an isolated conveyance system. In the interim, CALFED should

provide financial assistance for water treatment plant upgrades to help water suppliers meet national drinking water standards.

City Interest #2: Assurance of ready and reliable imported water supplies

The City expects that potable and non-potable water supplies will be provided in a way that is cost-effective and beneficial to our community and the Bay-Delta environment. In our view, the costs and benefits of water supply options currently under review cannot be fully evaluated without quantifiable baseline figures on 1) the amount of water necessary to restore habitat conditions in the Bay-Delta solution area, and 2) historic reductions, on a regional basis, in irrecoverable losses due to voluntary urban and agricultural water conservation efforts.

Developing mechanisms to store, transfer and use water supplies in more efficient and innovative ways is recognized as the key to a workable solution to Bay-Delta issues. We expect that the results of the Integrated Storage Investigation and the Economic Evaluation of Water Management Alternatives, due in April 2000, to generate the baseline information and scenarios needed to evaluate long-term water supply alternatives that will meet the requirements of the Preferred Program Alternative. CALFED should, working with member agencies and stakeholders, produce defensible numeric estimates of conservation potential. The Integrated Storage Investigation and Economic Evaluation of Water Management Alternatives should be completed with full stakeholder involvement and available for review and refinement prior to release of the final Program Plan and Programmatic EIS/EIR.

City Interest #3: Protection of the Bay-Delta ecosystem

The City is disappointed that the South and Central Bay regions of the San Francisco Bay are not specifically included in the geographic scope of CALFED's Ecosystem Restoration Program Plan (ERP). CALFED's commitment to evaluating the impacts of restoration alternatives in the Delta and upstream areas on the San Francisco Bay region is inadequate and will not further the ecosystem restoration efforts of the City and its South Bay neighbors. CALFED priority species (including Chinook Salmon) and priority habitats (including tidal marshes) occur in the Central Bay and South Bay regions. The South Bay is hydraulically part of the Bay-Delta system and thus should be included in CALFED's ecosystem restoration program.

The City supports CALFED's proposed Comprehensive Monitoring Assessment and Research Program (CMARP), which would track the impacts of all programmatic activities on the Bay and the Delta. The San Francisco Estuary Institute's Regional Monitoring Program (RMP), funded in part by the City, is counted in the "current monitoring programs" portion of the CMARP. CALFED is counting on sustained levels of support from the City and other current funding sources for the RMP. We recommend that CALFED include a net increase in funding support for stormwater data collection, monitoring, and control efforts in South Bay watersheds.

The City agrees with CALFED that the Ecosystem Restoration Program's near-term focus should be on actions that improve environmental conditions in the Delta. However, San Francisco Bay restoration priorities are underrepresented in the Ecosystem Restoration Program Plan. The scope of CALFED's "Bay-Delta" Ecosystem Restoration Program must be enlarged to include potential restoration actions in areas of the Bay outside of the "legal Delta" to support the recovery of species and habitats of concern.

City Interest #4: Continued funding support for South Bay watershed programs

The Watershed Program Plan was developed by a work group of CALFED staff and stakeholders, including a staff representative from the City of San Jose. The City supports the six primary objectives of the Watershed Program:

1. Facilitate and improve coordination, collaboration, and assistance among government agencies, other organizations, and local watershed groups.
2. Develop watershed monitoring and assessment protocols.
3. Support education and outreach.
4. Integrate the Watershed Program with other CALFED program elements.
5. Define the relationship between watershed processes and the goals and objectives of CALFED.
6. Implement a strategy that will ensure support and long-term sustainability of local watershed activities.

CALFED's on-the-ground restoration and pollution control efforts, packaged as adaptive management, cannot succeed technically or politically without the involvement of local governments and land users. The City encourages CALFED to continue refining the Watershed Program with full stakeholder involvement.

CALFED's Watershed Program was initially proposed to provide outreach, coordination and planning assistance to local watershed groups in rural areas of California. Approximately \$210 million was recommended in funding. The scope of the Watershed Program has been expanded from an informational clearinghouse to a mechanism for integrating local monitoring, assessment, restoration, and source control efforts into CALFED's Stage 1 program.

In the City's experience, assessment and monitoring actions cost substantially more than the coordination and outreach components of a watershed program. The City believes that a more realistic funding amount for the Stage 1 watershed program would be \$500 million.

City Interest #5: Recognition that recycled water and water conservation are key components of a reliable water supply program.

Water recycling

The City oversees the operation of the South Bay Water Recycling (SBWR) program. SBWR's goal is to distribute 100 million gallons per day (112,000 acre feet per year) of recycled water to provide a drought-proof water supply to our region. The Water Recycling program proposed by CALFED is generally supportive of both SBWR and the cooperating Bay Area Regional Water Recycling Program (BARWRP) planning effort.

Cooperative regional reuse efforts, with BARWRP, promise to maximize the development of recycled water supplies by lowering costs and removing other implementation hurdles. CALFED should work with SBWR and to identify specific partnerships and policy actions, technical support and funding to promote regional water recycling efforts in the Bay Area.

Dissolved solids and other constituents present in Delta source water limit the potential usefulness of recycled water. Water high in concentrations of dissolved solids could, if put into storage or applied in agriculture, conceivably degrade the quality of our region's groundwater. The City believes that CALFED agencies, in the near term, have an obligation to share in the cost of upgrading water and wastewater treatment facilities so that the use of recycled water for non-potable purposes can be maximized without significantly impacting the quality of local surface and groundwater supplies.

Water conservation

The City is a signatory to the Memorandum of Understanding between urban water agencies and the State Water Resources Control Board that established statewide conservation Best Management Practices (BMPs). The City, as a member agency of the California Urban Water Conservation Council (CUWCC), fully concurs with the CUWCC's recommendations on the Water Conservation Program Plan. We agree with the goals of the Conservation Program and the process recommended to achieve them. However, we believe that CALFED must remedy methodological and empirical deficiencies in its analysis of current and future conservation potential on a regional basis prior to completion of the final Program Plan.