

# State Water Contractors

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March 19, 2004

Mr. Jeremy Arrich  
Department of Water Resources  
Division of Planning and Local Assistance  
P.O. Box 942836  
Sacramento, CA 94236-0001

Re: Comments on the In-Delta Storage Program State Feasibility Study

Dear Mr. Arrich:

The State Water Contractors (SWC) appreciates the opportunity to provide comments on the California Bay-Delta Authority and Department of Water Resources (DWR) In-Delta Storage Program State Feasibility Study. SWC has been an active participant in the CALFED Bay-Delta Program, and we have an interest in the evaluation of feasibility, costs and benefits for CALFED storage project alternatives. SWC has reviewed the Feasibility Study, and we have two concerns about the In-Delta Storage Program, regarding its cost-effectiveness, and its impacts on water quality. We believe that the Feasibility Study raises serious questions as to the project's cost-effectiveness, and that its costs may have been underestimated due to exclusion of the additional water quality impact mitigation costs that would be incurred if the project went forward.

Based on our review of the economic analyses for the project, we do not envision the In-Delta Storage Project fitting into our water supply resource mix, assuming that all the project costs are applied to the delivered per acre-foot yield. We also do not believe that any reasonable level of public subsidy would be high enough to make the project acceptable. In addition to the high project costs and low benefit to cost ratio indicated in the Feasibility Study, we believe that even the stated water supply benefits are optimistic. Our review of the Feasibility Study shows that the operations studies do not fully account for water quality and other operations constraints on the project. As a result, the yield estimates for the project are likely overstated and not supported by the Feasibility Study. In addition, while many potential benefits for the project are briefly mentioned in the study reports, most of the potential benefits have not been quantified or validated through technical studies. Further, it is our assessment that many of the potential benefits will not be possible simultaneously, and would further reduce potential water supply yield from the project.

The Feasibility Study indicates that the In-Delta Storage project does not meet all the water quality requirements laid out in the Water Quality Management Plan (WQMP). We are very

Mr. Jeremy Arrich

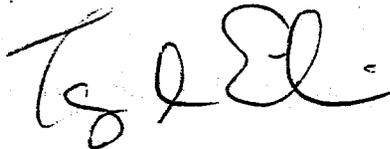
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concerned that violations of the WQMP requirements will lead to increased drinking water treatment costs for our member agencies that provide municipal drinking water. SWC also supports the comments made by the California Urban Water Agencies (see attachment), which include a more detailed evaluation of the In-Delta Storage operations and water quality studies.

SWC looks forward to working with CALFED and DWR on future feasibility studies addressing CALFED projects. If you have any questions regarding these comments, please contact Ms. Laura King Moon at (510)-482-3080.

Sincerely,



Terry L. Erlewine  
General Manager

Attachment

cc: SWC Member Agencies  
Lester Snow, Director, Department of Water Resources  
Patrick Wright, California Bay-Delta Authority  
Steve Macaulay, California Urban Water Agencies  
Andy Moran, Delta Wetlands

**State Water Contractors  
March 19, 2004 Comment Letter**

Attachments Include:

- \* March 17, 2004 CUWA Letter to Mr. Jeremy Arrich
- \* February 12, 2002 CUWA Letter to Mr. Patrick Wright
- \* March 17, 2004 CUWA Detailed Comments on In-Delta Storage State Feasibility Study, Operations and Water Quality reports

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\* These attachments are included with the CUWA comments and are not duplicated in this comments package