

October 31, 2000

To: Executive Board

From: Terry Bursztynsky, Director, ABAG Environmental Programs
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Project

Subject: Update on CALFED Bay-Delta Program

Background

The CALFED Bay-Delta Program was established by a State and Federal partnership in 1995 to address the many and complex issues facing the Bay-Delta Estuary. In addition to the 18 government agencies, CALFED also has representatives from agriculture, urban, environmental, fishery, business, and rural counties who participate. To date, Bay Area counties and municipalities have participated very little in CALFED activities.

CALFED's mission is to develop a long-term comprehensive plan that will restore ecological health and improve water management for beneficial uses on the Bay-Delta system. CALFED has created common programs to address the problems, which include: levee system integrity, water quality improvements, ecosystem restoration, water use efficiency measures, water transfers, and watershed management.

The CALFED Bay-Delta Program Record of Decision (ROD) was signed by Federal and State officials on August 28, 2000. The ROD is a final NEPA/CEQA document. It reflects final selection of a long-term plan, which includes specific actions to fix the Bay-Delta, describes a strategy to implement the plan, and identifies complementary actions the CALFED agencies will also pursue. The CALFED program is directly or indirectly tied to a number of specific projects proposals that would help toward meeting California's water needs for a wide variety of uses.

The preferred program alternative consists of a set of broadly described programmatic actions which set the long-term, overall direction of the 30-year CALFED Program. The document focuses mainly on Stage 1 – the first seven years of the program. There are no overall costs associated with the entire

package. Nor is it clear who is the lead on which aspects – i.e. some projects involve the Central Valley Project, others Santa Clara Valley Water District, etc. Some of the main aspects of the program include:

- 1) Levee System Integrity program - \$450 million in Stage 1
- 2) Water Quality Program - \$950 million in Stage 1
- 3) Ecosystem Restoration
- 4) Water Use Efficiency
- 5) Water Transfer (Framework of actions, policies and process that will facilitate water transfers and further development of a state-wide water transfer market
- 6) Watershed Program
- 7) Storage – new groundwater and surface water storage will be developed and constructed. During Stage 1, CALFED will continue to evaluate surface water and groundwater storage, identify acceptable project-specific locations and initiate permitting, NEPA and CEQA documentation, and construction if all conditions are satisfied.
- 8) Conveyance – the preferred program alternative employs a through-Delta approach to conveyance. While new systems are put in place there will be a series of mitigations or complementary actions. A bypass canal for Santa Clara Valley Water District to receive water directly from the Delta is contemplated.
- 9) Science Program - \$300 million during Stage 1
- 10) Promoting water use efficiency. The primary CALFED program tool for encouraging investments in water use efficiency will be a competitive grant/loan program in 3 areas – urban, agricultural, and water reclamation/recycling. CALFED agencies have estimated that achieving the potential water savings will require an investment of \$1.5 to 2 billion in Stage 1. Funds will go to local entities and be matched by local or private funds.

CALFED now begins the first stage of detailed planning and permitting for its implementation phase.

Implications

There are implications to the CALFED program which are of significant consequence to Bay Area local governments. CALFED activities have and will continue to spend huge amounts of time, energy and hundreds of millions of dollars to address very complex Bay-Delta issues that are of critical importance to the Bay Area. The CALFED program has the potential, and the stated objective, to determine how fresh water supplies will be allocated in California for decades to come. While CALFED is currently expending funds on various

structural projects, these are in furtherance of its long-term plan. CALFED will have great influence over health of the Bay ecosystem, water quality and where water supplies will be available for current users and FUTURE GROWTH. Thus, local government land-use and development policies could become subordinate to decisions being made by several state and Federal agencies, not so much directly as by the availability of water to permit the implementation of those policies.

It is thus incumbent upon the locally elected officials of the Bay Area, and their staff, to seek representation and a voice in a process that has largely bypassed our region.

Recommendations

It is recommended that the ABAG Executive Board authorize and direct the establishment of a San Francisco Bay Area CALFED Task Force. This Task Force should be comprised of locally elected officials, (who would represent the Bay Area citizenry), local government staff to assist the Task Force in its duties, and elected representatives from the major Bay Area water supply agencies. The objectives of the Task Force would be:

- 1) To restore and maintain a healthy Bay;
- 2) To protect the legitimate interests of Bay Area communities;
- 3) To provide a unified Bay Area voice into the CALFED program;
- 4) To help coordinate CALFED projects with the needs of Bay Area communities; and
- 5) To help coordinate the existing Bay Area Smart Growth, Sustainable Development and other planning efforts with the water supply directions being developed by CALFED.

It is also recommended that the ABAG Executive Board direct staff to seek and apply for funding to support the activities of the San Francisco Bay Area CALFED Task Force. Lastly, staff recommends the Task Force members be representative of the region's diverse water interests, subject to approval by the Executive Board with local policymakers being eligible for per diem for their participation.