



April 28, 1998

**To:** Board of Directors (Water Planning and Resources Committee--Action)

**From:** *for* General Manager Edward J. Meert

**Submitted by:** Debra Man Debra C. Man  
Chief of Planning and Resources

**Subject:** Refinement of Policy Principles Relating to the CALFED Bay-Delta Program and Preliminary Comments on CALFED's Draft PEIR/S

**RECOMMENDATION**

It is recommended that your Board approve the proposed policy principles described below concerning the CALFED Bay-Delta Program.

**EXECUTIVE SUMMARY**

Metropolitan is an active participant in the CALFED Bay-Delta Program, whose task is to develop a long-term solution for the San Francisco Bay-Sacramento/San Joaquin Delta (Bay-Delta). Last month, CALFED released a Draft Programmatic Environmental Impact Report/Environmental Impact Statement (Draft PEIR/S) detailing three alternatives for the Bay-Delta solution.

Completion of the Draft PEIR/S represents a major milestone for the CALFED Program, however, much work remains to be done before the PEIR/S is finalized. Key issues remaining in the Draft PEIR/S include development of an implementation plan and assurance/linkage strategy, and resolution of concerns over CALFED's approach to water use efficiency. CALFED is also dedicating additional effort to conduct further technical review of drinking water quality and fishery issues.

This Board letter proposes refined Board policy positions to guide Metropolitan's participation in the completion of the CALFED programmatic process that will lead to identification and approval of a preferred alternative. The Metropolitan Board has in the past established *General Principles* for a long-term Bay-Delta plan, and *Evaluation Criteria* to be used in analyzing the various alternatives developed by CALFED which are reviewed below.

## DETAILED REPORT

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### Background

The CALFED Bay-Delta Program released its Draft PEIR/S on March 16 for public review. The draft environmental documentation identifies three programmatic alternatives, and provides detailed information on their performance including each of the "core programs" which vary in scope with each alternative. The public comment period is currently scheduled to last 75 days (until June 1, 1998), during which CALFED will hold 17 public workshops throughout the State. A preferred alternative is anticipated to be identified in summer 1998, with CALFED scheduled to issue a Final PEIR/S in fall 1998. Metropolitan staff, in coordination with member agency and Ag/Urban representatives, are currently reviewing the Draft PEIR/S and plan to submit comments to CALFED before the June 1 deadline.

### Preliminary Comments on CALFED Draft PEIR/S

Most agricultural and urban water interests have reaffirmed their commitment to supporting the CALFED process and are encouraging other parties to abandon historically contentious points of view in favor of new and constructive approaches. Ag/Urban participants expressed that CALFED has started down the right road toward developing a comprehensive Bay-Delta solution, and an adequate framework has been established through the Draft PEIR/S to enable a mutually agreeable package. Overall, the analysis of the current CALFED alternatives suggests that a solution containing significant benefits for California's water users, including Southern California, exist within this framework. However, much work remains to be completed before the Draft PEIR/S is finalized.

*Additional Technical Review:* Critical tasks remaining include additional technical review of the significance of bromide levels in source water for drinking water and the interaction of south delta diversions in the recovery of delta fisheries. These questions are critical to developing a consensus on the preferred alternative. The Draft PEIR/S indicates that scientific panels will be convened to address these issues.

*Assurance Package:* Another key element of the program, the consensus assurances package, is in the early stages of development and is receiving significant attention from the Ag/Urban stakeholders. Unresolved issues include: 1) institutional arrangements to implement the ecosystem restoration program; 2) endangered species and other permitting assurances; 3) development of an implementation plan linking achievement of the four primary objectives (ecosystem quality, water supply, water quality, and system vulnerability) in incremental steps or stages over time; and 4) assurances for appropriate operation of facilities and development of expected benefits.

*Water Use Efficiency:* Additionally, the urban stakeholders are concerned with the Draft PEIR/S approach to water use efficiency. It identifies numerical targets for conservation that are inconsistent with the accepted Best Management Practices (BMP) approach and Metropolitan's Integrated Resources Plan (IRP). The water reclamation assumptions used by CALFED are also inconsistent with urban water agencies' determination of feasibility and Metropolitan's IRP targets. Approximately three-quarters of the total conservation and reclamation for the State is expected to come from the South Coast region. This could place a disproportionate burden on Southern California. The urban agencies are questioning these water use efficiency approaches, and will be working closely with CALFED to resolve these differences.

*Growth Inducement:* The Draft PEIR/S presents a growth inducement analysis that attributes induced growth to improved water supply deliveries and neglects to reference the Growth Management Plan prepared by the Southern California Association of Governments (SCAG). Staff will work with CALFED to resolve the growth inducement issue in an appropriate manner.

### **Summary of Previously Adopted Policy Principles**

Previously your Board adopted *General Principles* regarding a long-term Bay-Delta plan (see Board Letter 8-8, May 30, 1995). These principles state that Metropolitan would:

- Continue to play a leadership role in the Bay-Delta;
- Maintain and seek to expand the broad coalition that supported the 1994 Accord;
- Seek solutions that emphasize environmental protections as well as water supply reliability and water quality improvements;
- Rely on consensus solutions;
- Seek to ensure that any agreement include certain essential elements, including: assurances and guarantees, institutional reforms where needed, appropriate financing mechanisms, statewide comprehensive water management, fair resolution of responsibilities within the Delta watershed, and others.

Your Board also adopted *Evaluation Criteria* to aid in the analysis of the CALFED alternatives, particularly with regard to Metropolitan's resource needs as modeled in its IRP (see Board Letter 8-8, March 26, 1996). These evaluation criteria included targets for:

- *Environmental Protection:* A favorable alternative will provide a level of regulatory certainty, streamlined permitting, and use a habitat-based ecosystem approach.
- *Water Supply Enhancement:* In a normal hydrologic year, a favorable alternative would provide an average of 1.8 million acre-feet of State Water Project (SWP) supplies, and a dry hydrologic year would provide an average of 1.0 million acre-feet of SWP supplies [These criteria are currently undergoing further refinement by Metropolitan].

- *Water Quality Enhancement:* A favorable alternative would allow water users to meet current and anticipated future drinking water quality standards, and would provide specific levels of total dissolved solids required for blending and other water management actions.
- *Infrastructure Reliability:* A favorable alternative would provide that full deliveries to water users resume within six months of a major catastrophic event, and that beneficiaries of emergency service would pay for proportional costs of that service.
- *Costs:* A favorable alternative would have lower costs than the costs projected to be incurred with no solution, and equitable allocation of costs reflecting multiple beneficiaries when applicable.

### **Refined Policy Principles**

The CALFED Program is now working towards a Final PEIR/S, and is soliciting comments from stakeholders, the public, and other interested agencies. The following proposed principles are offered for adoption to help direct staff efforts to ensure a fair, comprehensive solution is reached. They will also help provide direction to staff in responding to the Draft PEIR/S.

- *Support for CALFED:* Continue support for the CALFED process of consensus building as the best means of reducing conflict among Bay-Delta uses.
- *Preferred Alternative:* A full range of assurances must be defined including those that protect Metropolitan's interests before a preferred alternative is supported.
- *Phasing and Implementation:* A preferred alternative should be implemented through a phased plan which balances benefits for the environment and for water users, and provides near and long-term benefits through effective assurances and linkages.
- *Water Management:* The preferred solution must provide for a balance of additional storage, a water transfer market, recycling and other actions to improve water management and supply reliability at a manageable cost.
- *Water Use Efficiency:* The urban water use efficiency component of a preferred solution must be consistent with the Best Management Practice (BMP) process.
- *Water Quality:* 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.

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