



The Bay-Delta Dilemma

Who's driving the bus?

The following is the transcript of a recent speech given by John R. Wodraska, Metropolitan Water District general manager, on the condition of the San Francisco Bay/Sacramento-San Joaquin River Delta. The speech was delivered Oct. 20, 1994 before more than 500 Southland business and water industry leaders, including U.S. Secretary of the Interior Bruce Babbitt, attending the 1994 Water Conference sponsored by the San Bernardino Valley Municipal Water District.

When it comes to water, environmental and economic issues in the state of California, there is no one clear voice or message.

Therefore, I welcome the opportunity to present what the Metropolitan Water District of Southern California and many other California urban water agencies view as one of the greatest challenges facing California as we near the turn of the century. It rests in a fragile estuary where San Francisco Bay meets the delta of the Sacramento and San Joaquin rivers.

It didn't take long after I became the general manager of the Metropolitan Water District in the spring of 1993 for me to identify the Sacramento-San Joaquin Bay-Delta Estuary as the most significant constraint in the distribution of the state's water supplies. Not only does the bay-delta supply 60 percent of the freshwater used in the state, it's the center of a water supply system that supports California's \$750 billion economy.

However, after years of environmental neglect, primarily brought about by years of political gridlock, the bay-delta is, as Gov. Pete Wilson has aptly noted, "broken." The decline of its environmental resources has significantly reduced the water supply reliability for California's cities and farms, and threatens the fabric of the state's economy.

So before California can hope to achieve a reasonable balance among the issues we are addressing today, it must resolve the environmental problems in the bay-delta estuary.

If you have heard one of my talks before, you know that I like to use visual demonstrations to help communicate my points.

To address the environmental Gordian Knot in the bay-delta, however, I will not use props. Instead, I would like you to rely on your own imagination.

Visualize, if you will, a bus. Showing decades of use and abuse, this beaten and battered bus signifies the state of the bay-delta ecosystem.

In the past, this bus traditionally carried only three groups of passengers — California's environmental, agricultural and urban water interests. These passengers were involved in the historic three-way process aimed at solving the myriad of bay-delta problems.

Today, however, because of the size and scope of the bay-delta dilemma, they have company. Now there are seven groups of passengers on the bus.

But before I introduce you to them, I'd like to tell you a little more about our bay-delta vehicle. You see, this is no ordinary bus. Like the bay-delta it represents, the bus has its own set of unique circumstances.

First, every passenger on the bus has a brake. So if any of them don't care for where the bus is going, they can apply the brake and halt its progress. As you know, over the years, that has been a fairly common practice.

Another interesting bus feature is that it has only one steering wheel. While that might not seem to be unusual, in this case it is because no one is behind the wheel. There is no driver. In fact, there hasn't been a bus driver for years.

With this in mind, it should be easy for you to see why our bay-delta bus has been rather erratic lately. Much like the bus from the summer movie blockbuster "Speed," the bay-delta bus has been lurching from side to side, without a clear destination.

The difference between the buses is that the passengers on the "Speed" bus want to keep it moving until they can come up with a solution to their problem. On the bay-delta bus, however, just when you think a comprehensive environmental bay-delta solution may be in sight, one of

the passengers decides that they don't like where our bus is heading and slams on the brakes. The only consolation is that the bay-delta bus doesn't explode; the process just starts all over again.

Now, let me introduce our passengers. The first group of bus passengers is the environmentalists. By and large, the environmentalists have many spokespersons, but by its nature, the environmental movement has no central leadership. They are frustrated by the lack of sympathy for their cause from the other passengers. And these long-held frustrations are compounded by the recent attacks on their credibility when it comes to a myriad of issues that they are championing throughout the country.

Long on impassioned arguments, yet somewhat lacking when it comes to hard scientific evidence, these passengers sit in the back of the bus. When they're not slamming on the brakes, they're yelling directions at everyone else.

The next group of passengers is from the agricultural community. They have been on the bus the longest. For more than 100 years they have held an iron grip on state water policy.

This group represents multiple interests throughout the state, but, like the environmentalists, has little apparent leadership. They also are affected more by—and, therefore, more resistant to—change, as personified by their opposition to the dedication of water for environmental purposes and the expanding role water marketing and transfers will have in meeting future water demands throughout the state.

The agricultural passengers argue that the heart of the state's contribution to food and fiber would be lost if a portion of their water supplies were reallocated to help solve the delta's problems.

Financially, our agricultural passengers face a series of concerns because of the reliability and cost of their water supplies. And, while they are politically strong, they are vulnerable to partisan shifts in the state's politics.

Our agricultural passengers sit in the middle of the bay-delta bus. Whenever they are threatened by what lies ahead, they also have been known to use the brakes.

The third passenger is the state's urban interests. Primarily represented by the California Urban Water Agencies, this relatively new group is issue-oriented and science-driven. They have accepted and embraced the premise that good science will lead to solid bay-delta solutions.

Unfortunately, when it comes to water and bay-delta issues, they have in the past been ineffective politically, never finding the key with which to awaken the sleeping giant of 29 million Californians. But they have shown potential. Most recently that was demonstrated when the state's 11 largest urban water agencies from both north and south presented a compromise proposal that may provide the breakthrough that is needed to unlock the bay-delta puzzle.

This proposal goes far beyond any previous alternatives by including more comprehensive approaches to bay-delta problems such as habitat conservation protection, listing agreements, mitigation banks and other pro-active measures.

The state's urban interests also recognize the need to accommodate the environment. They invested the time necessary to work with environmental interests in the back of the bus before developing their proposal that would provide effective environmental bay-delta protections that minimize the impacts to the state's water supply reliability and economy.

Once they address the environmental problems in the delta, coupled with an aggressive conservation ethic in Southern California, they hope to maintain supply dependability.

These urban riders are seated toward the front of the bus. Not licensed to take the wheel but, like the rest, they tend to holler directions.

Next come our passengers from the state of California. Because of California's bureaucratic nature, the state has many players on the bus,



including the governor, the State Water Resources Control Board, the Department of Water Resources, the state Resources Agency and the Department of Fish and Game. Yet, all of these state participants have something in common—all complain about the federal government meddling in California's resources affairs—particularly, in the delta.

In the meantime, these passengers are constantly considering the impacts of partisan politics. Who will win or lose in California's next election could determine the direction they want our bay-delta bus to take.

The state representatives understand the importance of delta problems, but are wary of any potential solution that may negatively impact the state's agricultural community and its mighty political force.

Caught in the middle, our passengers from the state presently view the delta and other water issues as losing propositions. They hope the State Water Resources Control Board's ongoing attempt at a solution will lead to an agreement when its set of draft regulations is ready by year-end.

They also are at the front of the bus, but are constantly looking over their shoulders at what the others are up to.

The fifth group of passengers is from the federal government. Historically, the feds have been known to hold the only sympathetic ear to the concerns raised by the bus' environmental passengers. In fact, they entered the delta fray by wielding the Endangered Species Act on behalf of such threatened or endangered species as the delta smelt and winter run salmon.

However, their pendulum of interest seems to be swinging away from protecting the environment at any cost toward the realities of focusing on the Act's reauthorization.

They are sensitive to the criticisms over the multiple agencies involved in delta matters. With this in mind, the numerous federal agencies that had delta interests have finally banded together to speak with one voice, under a consortium known as "Club Fed." While they have issued their own set of delta operating regulations—salinity and flow standards—they have indicated they will defer to the state and withdraw IF the state comes up with its own set of regulations.

Realizing the importance California holds in the political arena, the Clinton Administration, in particular, Secretary of the Interior Bruce Babbitt and Secretary of Commerce Ron Brown, understands that national politics requires a revitalized state economy. They appear willing to do anything possible to revitalize California.

Faced with a two-year window before the next presidential election, the democratic leadership has been more responsive to bay-delta problems. That was demonstrated recently when Secretary Babbitt announced that landowners participating in ESA's conservation plans will not be affected by future Act requirements. In making his announcement, Babbitt said, "A deal is a deal."

Assistant Interior Secretary Elizabeth Rieke followed Babbitt's announcement by saying that policy also will apply to aquatic species, which is especially important to the delta proposal being offered by the state's urban interests. And, the U.S. Fish and Wildlife Service has begun to develop approaches to implement "a deal is a deal" for aquatic environments.

But, even with their refocused effort, our federal passengers are finding a solution is tough to manage. With these many passengers, the feds hold many seats on our bus.

Next on the bus is California's financial rating community. For years, they sat quietly, bumping along. But that changed last spring, when they loudly announced to the rest of the passengers that they were thinking of getting off the bay-delta bus.

In the March issue of its national Creditweek Municipal publication, Standard and Poor's warned that bay-delta gridlock would bring higher water rates, larger and more expensive capital programs, and budget constraints that would undoubtedly pressure the credit quality of urban and agricultural water suppliers, as well as other public agencies.

In Southern California, the results would be disastrous. As the State Water Project's biggest customer, Metropolitan is the keystone to bond ratings of its 27 member public agencies and the hundreds of water agencies they serve from Ventura County down to San Diego. Any downrating of MWD bonds due to the instability of our state project supplies would snowball through the region's economy. Fortunately, no downratings are imminent.

That brings us to our last passenger—the business community. Although they possibly have the most to lose, the business communities in both Northern and Southern California are relatively new to the bay-delta bus. Wary of the environmental issues and confused by the technical nature of the estuary's problems, they have never really engaged in water issues before.

The first thing they noticed once they jumped on the bus was that there was no driver. Although they were a bit cautious with that discovery,



they also quickly noticed the busload of important people who are jockeying for position in solving the estuary's problems. Suddenly aware of the tremendous consequences, the business community has emerged as an active participant.

Recognizing the financial danger the bay-delta gridlock poses, 11 of the state's preeminent business leaders, from both Northern and Southern California, stepped forward. In a July letter to President Clinton and Governor Wilson, they urged the federal and state leaders to use their influence to establish operating regulations for the bay-delta that will end the stagnation and spur California's economy. As John Wesley Powell aptly stated in the 1860s, "He who controls water, controls the West." Well, as you can see from the participants on the bay-delta bus, no one group has that clear advantage, although the feds seem to have the upper hand.

In reality, we live in a pluralistic society controlled, in part, by all of the passengers on our imaginary bus. But, in truth, no one has taken the leadership role in addressing the bay-delta's problems. Instead, each of the passengers has attempted to parlay an advantage for its special interests.

However, one thing remains clear in today's imaginary exercise—it's time to overhaul and reconfigure our bay-delta bus.

The obvious first step is to remove all of the brakes that have halted any previous progress. We should replace the brakes with signals that our bay-delta bus passengers can use to note their concern, otherwise progress will continue to be halted.

Once our overhaul is complete, we need to turn our attention to our seven passengers.

What we have today resembles a bus loaded with disruptive school children from various grades and backgrounds. They don't know each other. They don't have a common goal. Their only concern is what is happening in their world on that particular day. Like our bay-delta bus, there's quite a lot of yelling and screaming, and a bit of name calling. Chaos reigns.

What we need to do is change the atmosphere on that bus, from chaos to order. Much like an athletic team on the way to a game, the bay-delta passengers should be together and focused on a single purpose. They should act like a team.

While the school bus is stopping all over the place, letting its passengers on and off, the team bus riders head straight to their destination with a clear mission. Only one thing is on their mind. In the end, it's not just a matter of winning and losing; it's a matter of purpose.

Ultimately, the State of California, represented by the Governor, must occupy the driver's seat on the bay-delta bus. That is the intent of state and federal law—and it makes policy sense. Until that leadership is asserted—hopefully before the end of 1994—the urban community, in cooperation with the business community, will have to continue its unlicensed piloting of the bay-delta vehicle.

Between now and Dec. 15, when the state is expected to announce its own set of draft regulations for the bay-delta, history will be made. Whoever is able to define and organize the community of interests in California in the fall of 1994 will be in the best position to provide the leadership to walk through the maze that will develop reliable and affordable water supplies in a healthy bay-delta environment.

Once sensible regulations are achieved, all of California's water interests, along with state and federal agencies, can focus on a comprehensive multi-species habitat plan for the bay-delta estuary. This approach would center around habitat restoration, rather than species-by-species management currently provided under the Endangered Species Act.

We must all recognize that it's time to let the bay-delta heal. Since this fragile ecosystem has become the most significant constraint in the state's water supply, all who depend on the delta's bounty must continue to push for cooperation to restore and maintain the estuary's health.

Without a solution to the bay-delta's problems, California will never be able to balance its water, environmental and economic interests. And our wild bus ride will continue.

The transcript of this speech is provided to those interested in California water issues. Any publication may reprint all or parts of the speech. Transcripts also are available on computer disk or diskette by calling Metropolitan's Public Affairs Division at (213) 217-6485.