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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

JUN 13 1995

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*Karen E. Druff*  
EXECUTIVE SECRETARY

May 30, 1995

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

**From:** General Manager

**Subject:** Proposed Principles for Comprehensive Bay/Delta Solutions including  
Pending Legislation: AJR 30 (Cortese) and SB 900 (Costa)

**Recommendations:**

It is recommended: (1) that the Board adopt the Proposed Principles (Principles) described in this letter for participation in developing comprehensive Bay/Delta solutions, including legislation consistent with these Principles; (2) that the Board support AJR 30; and (3) that the Board support SB 900, in concept, and authorize the General Manager to participate in developing a bill consistent with the proposed Principles.

John R. Wodraska  
General Manager

Submitted by:

*Debra C. Man*

Debra C. Man, Chief  
Planning and Resources Division

Concur:

*John R. Wodraska*  
John R. Wodraska  
General Manager

**Executive Summary:**

The December 15, 1994 State/Federal Agreement on Bay-Delta standards provides a three year horizon of regulatory certainty, but deals with only a portion of the problems in the estuary. For California's long-term environmental and economic well-being, it is imperative that action begin immediately to shape a long-term plan in the Bay-Delta that would fill the void that would otherwise exist in 1998 when the current agreement expires.

In the next several months, CALFED, the body created by a June 1994 State/Federal agreement to coordinate Bay-Delta activities, will complete its initial formation and will begin its efforts to evaluate alternatives for resolving environmental and water supply problems related to the Bay-Delta. Also, the broad range of stakeholder groups who signed or supported the December 15 Agreement, including environmental organizations, business groups, and urban and agricultural water agencies, will continue to pursue courses of action, either legislative or non-legislative, in order to make further progress in solving Bay-Delta problems.

This letter presents recommended Principles for Metropolitan's participation in the development of solutions for habitat restoration and improvement of water supply reliability for the Bay/Delta estuary, including related legislation. Consistent with these Principles, staff recommends that Metropolitan support AJR 30 (Cortese-San Jose) and support in concept SB 900 (Costa-Fresno).

**Detailed Report:**

The historic State/Federal Agreement (Agreement) on Bay-Delta standards reached on December 15, 1994, represents the beginning, not the end, of the process for developing comprehensive, sustainable solutions for maintaining both environmental and economic uses of the Bay/Delta. Thus, while the Agreement is intended to stabilize the Bay/Delta ecosystem, it will not produce major recoveries in fish populations or completely resolve water supply reliability concerns of agricultural and urban water users.

The Agreement allows the federal government to return primary control over Bay/Delta water management to the State. At the same time, the Agreement reinforced the Wilson Administration's 1992 Water Policy Statement which outlines a plan for integrated and comprehensive actions to resolve long-standing critical problems regarding California water.

Implementation of a comprehensive ecosystem-based approach to improving the Bay-Delta is required to avoid the problems created by the ad-hoc, species-by-species approach of current endangered species regulations. Species-by-species management is inherently inefficient as it often creates inter-species conflicts and exacts higher water costs without comparable increases in habitat protection. By contrast, an ecosystem approach focuses on overall habitat quality for all aquatic organisms. In addition to providing higher protection to environmental uses and improved water supply reliability, it also incorporates water quality protection for those who depend on water from the Delta for drinking purposes.

For the reasons described above, any actions that are undertaken to develop long-term protections for the Bay-Delta must focus on the ecosystem as a whole and also must address all of the varied competing Bay-Delta uses.

#### **Legislative History**

While Delta improvements were included in the State Water Project (SWP) authorizing legislation (Burns-Porter Act) approved by the State's voters in 1960, subsequent environmental regulations (CEQA/NEPA) have been subsequently enacted. Any decisions on Delta improvements must now be approved through an environmental decision-making process. There have been several legislative and non-legislative attempts in previous years to address physical modifications to the Delta. These include:

- **1965** - Interagency Delta Committee, formed in 1961, completed its report recommending various Delta facilities, including the Peripheral Canal, intended to offset adverse effects of increasing Delta exports. State funding limitations in the mid-1960's and new environmental laws (CEQA/NEPA) deferred any decisions to construct Delta facilities.
- **1977** - State Senator Ruben Ayala, Chairman of the Senate Agriculture and Water Resource Committee, introduced SB 346, which would have directed construction of the Peripheral Canal. In 1978, the bill died after the Conference Report failed to get the required two-thirds vote in the Senate.
- **1979** - Senator Ayala reintroduced, as SB 200, the Conference Report version of his SB 346. With modifications, SB 200 was approved by the legislature and signed by the Governor in 1980. It was defeated by referendum (Proposition 9), however, in 1982.

- **1994** - Assembly members Bill Jones and Jim Costa introduced AB 1514 which would have submitted a bond act to the voters to provide funding for Delta facilities. In addition, it would have provided funding for the State's share set forth in the Central Valley Project Improvement Act (1992). The bill died in the legislature.

Metropolitan did support AB 346 (Ayala) in 1977 and SB 200 (Ayala) in 1979. Metropolitan did not take a position on AB 1514 (Jones and Costa) in 1994.

### **Current CALFED Process**

The stakeholder groups are committed to developing a long-term agreement to avoid the policy "vacuum" that will exist after the current, three-year December Agreement expires. The stakeholder groups consist of environmental interests, export agricultural interests, upstream agricultural interests, urban interests, and fishing interests. Possible additions would be waterfowl interests, Delta agricultural interests and more direct participation by the State's business community. Metropolitan is taking a leadership role as a member of the stakeholder's "Matrix Team" which will be presented on June 1 to the stakeholders, proposed "Purposes and Objectives" of a long-term agreement. The proposed strategy anticipates: (1) stakeholders developing "project" alternatives by July 1995; (2) stakeholders presenting their conclusions to CALFED through the public input process; (3) CALFED, in cooperation with the stakeholders, issuing recommendations for the preferred alternative and necessary institutional and water management alternatives; and (4) completing the long-term agreement, including financing mechanisms.

### **Recommended Principles**

Metropolitan does not currently have any adopted Principles regarding Bay-Delta comprehensive environmental and water supply improvements. Staff recommends that Metropolitan continue supporting the CALFED process and adopt the following principles directing staff to:

1. Continue to play a leadership role.
2. Maintain, and seek to expand, the broad coalition that developed and supported the December 15 Agreement.
3. Seek solutions that provide both strong environmental protections and high levels of water supply reliability and water quality.
4. Rely to the maximum extent possible on consensus solutions developed among the stakeholders affected.

5. Include the following essential elements into the agreement that is developed:
  - a. Ecosystem approach to environmental restoration;
  - b. Guarantees to ensure the continuance of environmental solutions;
  - c. Ecologically compatible Delta transfer facilities and possibly additional offshore storage;
  - d. Fair resolution of upstream responsibility;
  - e. Long-term certainty for regulatory measures which impact water supply reliability;
  - f. Adaptive management approaches to allow for adjustments when warranted;
  - g. Institutional reform, as necessary, to assure sustainability of environmental and water supply benefits;
  - h. Appropriate financing mechanisms;
  - i. Integration of existing State and federal restoration funding and environmental initiatives; and
  - j. Statewide comprehensive water management (conservation, reclamation, etc.).
6. Coordinate all legislative and other activities to assure consistency with the goals of the long-term consensus effort.

The above Principles were presented in a informational letter to the Legislative Committee on February 14, 1995.

#### Current Legislative Efforts

Two legislative measures of interest have been introduced. Assembly Joint Resolution 30 (AJR 30) was introduced by Assemblymen Cortese, Frusetta and Katz. Senator Costa introduced Senate Bill 900 (SB 900). AJR 30 provides that the Assembly and Senate of the State of California would jointly memorialize President Clinton and Governor Wilson to commit to the CALFED program the necessary support to ensure the program's success in achieving a comprehensive solution to the problems in the Delta, and further that the manager of the CALFED program submit a semiannual report to legislature on the progress of CALFED. Staff believes that these actions are consistent with the previously discussed principles and

that these actions are consistent with the previously discussed principles and therefore recommends your Board support AJR 30.

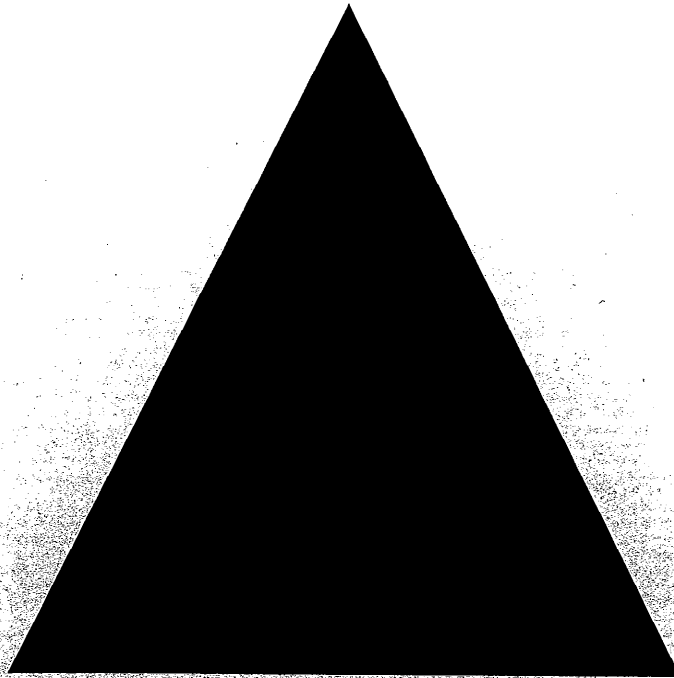
SB 900, as currently drafted, would cover many water programs, including safe drinking water, flood control subventions, water recycling, pollution control, water conservation and groundwater recharge and a San Joaquin Valley Drainage Relief Program. Related directly to the Delta, SB 900 programs would include: (1) State obligations under the Central Valley Project Improvement Act; (2) Delta facilities as necessary to implement a comprehensive plan for the Delta; (3) construction of screens for unscreened diversions; and (4) levee restoration and other infrastructure improvements for the Bay/Delta estuary.

While this bill is in the early development stage, it may provide the means to move forward with future recommendations arrived at through the CALFED process. Staff therefore recommends that the Board support SB 900 in concept. Staff will continue to report to your Board as this bill progresses.



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AMENDED IN ASSEMBLY MAY 9, 1995

CALIFORNIA LEGISLATURE—1995-96 REGULAR SESSION

**Assembly Joint Resolution**

**No. 30**

Introduced by Assembly Member Cortese Members  
*Cortese, Frusetta, and Katz*  
(Coauthors: Senators Costa and Kelley)

May 2, 1995

Assembly Joint Resolution No. 30—Relative to the San Francisco Bay/Sacramento-San Joaquin Delta Estuary.

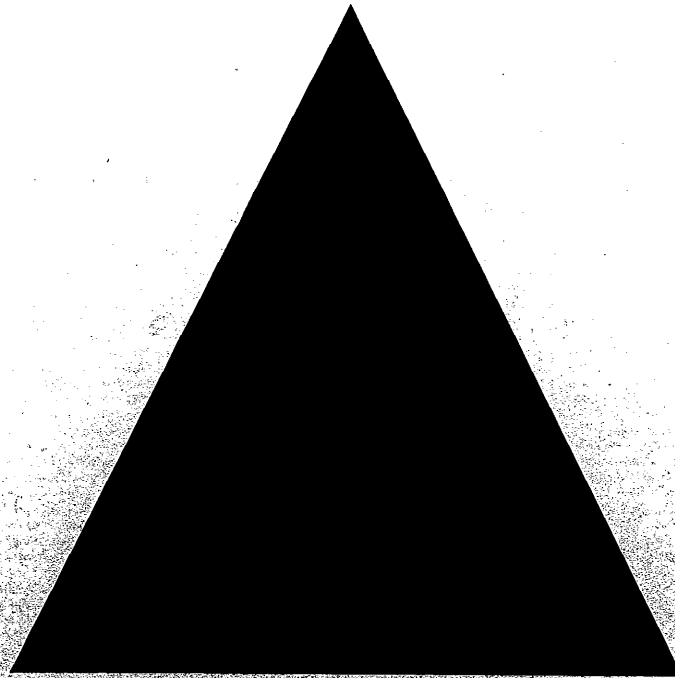
LEGISLATIVE COUNSEL'S DIGEST

AJR 30, as amended, Cortese. San Francisco Bay/Sacramento-San Joaquin Delta Estuary: CAL-FED program.

This measure would memorialize the President of the United States and the Governor of California to commit to the CAL-FED program the necessary support to ensure the program's success in achieving a comprehensive solution to the problems in the San Francisco Bay/Sacramento-San Joaquin Delta Estuary and, would encourage the people and entities involved in the CAL-FED program to coordinate the development of policies that will lead to comprehensive, economically viable, and environmentally compatible solutions for the Delta, as specified, and would request the manager of the CAL-FED program to submit to the Legislature a semiannual report, as specified, regarding the progress CAL-FED has made towards achieving

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