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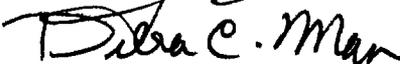
METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

9-10

September 24, 1996

To: Board of Directors (Committee on Legislation--Information)
(Water Planning and Resources Committee--Information)

From: General Manager 

Submitted by: Debra C. Man, Chief
Planning and Resources 

Subject: H.R. 4126 -- Federal Funding for the San Francisco Bay-Delta Estuary

RECOMMENDATION

For information only.

EXECUTIVE SUMMARY

On September 11, 1996, California Representative Bill Baker (R-Walnut Creek) introduced legislation, H.R. 4048 (reintroduced on September 19 as H.R. 4126), the California Environmental Enhancement and Water Security Act, to authorize \$430 million (\$143.3 million annually in 1998, 1999, and 2000) to fund environmental enhancement activities under the initial phase of the CALFED Bay-Delta program and the Bay-Delta Accord's Category III program. The legislation is receiving bipartisan support from California's delegation, Congressional and Senate leaders, and the Clinton Administration. The legislation includes consensus language jointly drafted by representatives of urban, agricultural, and environmental interests. The legislation is currently on a fast track and could be attached to a federal Continuing Resolution authorization or an Omnibus Preparation bill.

DETAILED REPORT

Background

In a Washington, DC press conference on September 11, 1996, Representatives Bill Baker (R-Danville), Frank Riggs (R-Windsor), George Radanovich (R-Fresno), Andrea Seastrand (R-San Luis Obispo), and David Drier (R-Claremont) joined Speaker of the House Newt Gingrich, California Secretary of State Bill Jones, and State Senator Jim Costa (D-Fresno) to announce plans to authorize federal funding to assist the CALFED Bay-Delta program. The legislation, H.R. 4048, the California Environmental Enhancement and Water Security Act, calls

for authorizing \$430 million (\$143.3 million annually in 1998, 1999, and 2000) to fund environmental enhancement activities under the initial phase of the CALFED Bay-Delta program and the Bay-Delta Accord's Category III program.

On September 19, 1996, the bill was reintroduced as H.R. 4126 to include consensus language jointly drafted by urban, agricultural, and environmental representatives of Bay-Delta interests. These representatives have been working together as an informal coalition over the last few months to develop strategies and coordinate efforts to secure federal moneys for meeting the federal share of funding public benefit improvements in the Bay-Delta.

Bipartisan Support

The legislation is receiving bipartisan support from California's delegation, Congressional and Senate leaders, and the Clinton Administration. Additional endorsements have been received for both California Proposition 204 and H.R. 4126 by Republican Presidential Nominee Bob Dole, House Speaker Newt Gingrich, Senator Diane Feinstein, Senator Barbara Boxer, Governor Pete Wilson, and State and Federal Administration officials (See attachments).

Fast Track Consensus Effort

The legislation is currently on a fast track and could be attached to a federal Continuing Resolution authorization or an Omnibus Preparation bill. Discussions are also continuing on whether enough support can be gathered from other members of Congress to attach the legislation to the U.S. Corps of Engineers authorization measure in the 1996 Water Resources Development Act (WRDA).

Congressional appropriation of funds authorized in this legislation will require additional hearings before the House and Senate Committees on Appropriations beginning in 1997. Full appropriation of the \$430 million will most likely require annual approval of Bay-Delta funds in the federal budget for fiscal years 1998, 1999, and 2000. The legislation requires the passage of California Proposition 204, the State share of funding for the Bay-Delta Estuary, to become effective. Staff will continue to update your Board on developments regarding this legislation.

RDN:cl

Attachments

California Bay-Delta Environmental Enhancement and Water Security Act

104th CONGRESS

2d Session

H. R. 4126

To support the California-Federal (CALFED) Bay-Delta Program in developing, funding, and implementing a balanced, long-term solution to the problems of ecosystem quality, water quality, water supply and reliability, and system vulnerability affecting the San Francisco Bay/Sacramento-San Joaquin Delta Watershed (the Bay-Delta) in California.

IN THE HOUSE OF REPRESENTATIVES

September 19, 1996

Mr. BAKER of California (for himself, Mr. FAZIO of California, Mr. RADANOVICH, Mr. DOOLEY of California, Mr. RIGGS, Mr. MATSUI, Mrs. SEASTRAND, Mr. FARR of California, Mr. DREIER, Mr. FILNER, Mr. KIM, Mr. MILLER of California, Mr. CALVERT, Ms. HARMAN, Mr. BILBRAY, Ms. LOFGREN, Mr. GALLEGLY, Mr. STARK, Mr. PACKARD, Ms. PELOSI, Mr. MCKEON, Ms. ESHOO, Mr. HORN, Mr. DIXON, Mr. THOMAS, Mr. WAXMAN, Mr. COX of California, Mr. CONDIT, Mr. ROHRABACHER, Ms. ROYBAL-ALLARD, Mr. CUNNINGHAM, Mr. DELLUMS, Mr. HERGER, Mr. BROWN of California, Mr. LANTOS, Ms. WATERS, Mr. BERMAN, Ms. WOOLSEY, Mr. MARTINEZ, and Ms. MILLENDER-MCDONALD) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Resources, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To support the California-Federal (CALFED) Bay-Delta Program in developing, funding, and implementing a balanced, long-term solution to the problems of ecosystem quality, water quality, water supply and reliability, and system vulnerability affecting the San Francisco Bay/Sacramento-San Joaquin Delta Watershed (the Bay-Delta) in California.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. Short Title.

The Act may be cited as the `California Bay-Delta Environmental Enhancement and Water Security Act'.

SEC. 2. PROGRAM FUNDING.

(a) AUTHORIZATION OF APPROPRIATIONS- For each of the fiscal years 1998, 1999, and 2000, there are authorized to be appropriated an additional \$143,300,000 for both (1) the initial Federal share of the cost of developing and implementing that portion of an ecosystem protection plan for the Bay-Delta, referred to as 'the Category III program' emanating out of the document entitled 'Principles for Agreement on Bay-Delta Standards Between the State of California and the Federal Government', dated December 15, 1994, and, (2) the initial Federal share of the cost of developing and implementing the ecosystem restoration elements of the long-term CALFED Bay-Delta Program, pursuant to the cost sharing agreement required by section 78684.10 of California Senate Bill 900, Chapter 135, Statutes of 1996, signed by the Governor of California on July 11, 1996. Funds appropriated pursuant to this section shall remain available until expended and shall be administered in accordance with procedures established by CALFED Bay-Delta Program until Congress authorizes another entity that is recommended by CALFED Bay-Delta Program to carry out this section.

(b) Funds authorized to be appropriated pursuant to this section to those agencies that are currently or subsequently become participants in the CALFED Bay-Delta Program shall be in addition to the baseline funding levels established pursuant to section 3 of this Act, for currently authorized projects and programs under the Central Valley Project Improvement Act, title 34 of Public Law 102-575 and other currently authorized federal programs for the purpose of Bay-Delta ecosystem protection and restoration.

(c) Nothing in this Act shall be deemed to diminish the Federal interest in and responsibility for working with the State of California through the CALFED Bay-Delta Program in developing, funding and implementing a balanced, long-term solution to the problems of ecosystem quality, water quality, water supply and reliability, and system vulnerability affecting the San Francisco Bay/Sacramento-San Joaquin Delta Watershed in California. Participation in such long term solution shall only be undertaken pursuant to authorization provided by law other than this Act, and shall be based on the equitable allocation of program costs among beneficiary groups that the CALFED Bay-Delta programs shall develop.

(d) To the extent not otherwise authorized, those agencies and departments that are currently or subsequently become participants in the CALFED Bay-Delta Program are hereby authorized to undertake the activities and programs for which Federal cost sharing is provided by this section. The United States shall immediately initiate coordinated consultations and negotiations with the State of California to expeditiously execute the cost-sharing agreement required by section 78684.10 of California Senate Bill 900, Chapter 135, Statutes of 1996, signed by the Governor of California on July 11, 1996. Such activities shall include, but not be limited to, planning, design, technical assistance and construction for ecosystem restoration programs and projects.

SEC. 3. BUDGET CROSSCUT.

The Office of Management and Budget is directed to submit to the House and Senate Committees on Appropriations, as part of the President's Fiscal Year 1998 Budget, an interagency budget crosscut that displays Federal spending for fiscal years 1993 through 1998 on ecosystem restoration and other purposes in the Bay-Delta region, separately showing funding provided previously or requested under both pre-existing authorities and new authorities granted by this Act.

SEC. 4. EFFECTIVE DATE.

Section 2 of this Act shall take effect on the date of passage of California State Proposition 204.

September 18, 1996

California Congressional Delegation
United States Congress
Washington D. C. 20515

Dear Members of the California Congressional Delegation:

As representatives of organizations that were actively involved in the development of California Senate Bill 900, (Proposition 204), and as "stakeholders" in the CALFED Bay-Delta process, we are writing to express our support for the attached legislative proposal to authorize federal appropriations for ecosystem restoration elements of the Bay-Delta program.

The proposal reflects a consensus among agricultural, urban and environmental interests, and we urge you to move it forward in a bipartisan manner.

Questions or comments regarding this proposal can be directed to: David Yargas, Environmental Defense Fund, 510 658-8008; Tim Quinn, Metropolitan Water District of Southern California, 213 217-6636; or Dan Nelson, San Luis & Delta-Mendota Water Authority, 209 826-9696.

Thank you.

Central Valley Project Water Association, Jason Peltier
East Bay Municipal Utility District, Dennis Diemer
Environmental Defense Fund, David Yargas
Friant Water Users Authority, Richard M. Moss
Kern County Water Agency, Tom Clark
Metropolitan Water District of Southern California, John R. Wodraska
Natural Heritage Institute, Cynthia L. Koehler
Nature Conservancy of California, Leslie Friedman-Johnson
Northern California Water Association, Richard Golb
San Francisco Public Utilities Commission, Anson B. Moran
San Luis & Delta-Mendota Water Authority, Dan Nelson
Santa Clara Valley Water District, Walt Wadlow
Save San Francisco Bay Association, Barry Nelson
State Water Contractors, Steve Macaulay
Tulare Lake Basin Water Storage District, Tom Hurlbutt

cc: Honorable William J. Clinton, White House
Honorable Pete Wilson, California State Capitol Building

Water bond measure backed by Gingrich

By Michael Doyle
Bee Washington Bureau

WASHINGTON — House Speaker Newt Gingrich on Wednesday endorsed California's big water bond initiative on the November ballot and said Congress would do its part to help.

Gingrich said Congress will authorize spending up to \$143 million annually for the next three years to help out Proposition 204, the \$995 million bond proposal that includes projects up and down the Central Valley.

"This is good news, because it shows the federal commitment," Secretary of State Bill Jones said after a Washington news conference. "We're soliciting all the support we can get."

Flanked by Rep. George Radanovich, R-Mariposa, and other

champions of the water bond, Gingrich pledged that a catch-all federal spending bill expected later this month will include an authorization of the federal spending. Behind-the-scenes lobbying to gain key support has been going on for weeks, including during a visit Tuesday between Gingrich and Gov. Pete Wilson.

The dollars actually provided, however, still could fall short of the authorized amount.

Today in Fresno, President Clinton might get his chance to jump on board. Republican presidential candidate Bob Dole already has endorsed Proposition 204, and state Sen. Jim Costa, D-Hanford, has been lobbying the administration to win Clinton's support. Proposition supporters said it was possible Clinton's endorsement could come today.

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DOLE KEMP

FOR IMMEDIATE RELEASE
RELEASE #10
SEPTEMBER 9, 1996

CONTACT: DALE NEUGEBAUER
TODD HARRIS
916-846-1996

DOLE ENDORSES CALIFORNIA WATER SOLUTION

Republican Presidential Nominee Bob Dole issued the following statement endorsing California Ballot Proposition 204:

"This November, Californians will make an important decision on Proposition 204 - the 'Safe, Clean, Reliable Water Supply Act.' I support Proposition 204 and urge all Californians to study it and consider what it accomplishes for water supply and water quality issues facing California.

"Through my service on the Agricultural and Finance Committees in the Senate, I have been in a unique position to understand the significance of water to California for the state's economic vibrancy, environmental health, and strength of the agricultural economy. In particular, I share your understanding that continuing progress must be made to guarantee a healthy environment and growing economy in the Bay-Delta region.

"If I can make a prediction, I anticipate my opponent will announce a significant commitment of dollars to this effort. The Administration must not be permitted to play a shell game and merely re-label existing moneys already designated for California. This effort will require a real commitment on the part of the federal government. A Dole Administration will work to provide the needed resources as well as remove the bureaucratic red tape, to ensure California has reliable and safe water supplies based on what California needs, not what Washington bureaucrats say they need.

"When the people of California choose to adopt Proposition 204, as President, I will work with you and Congress to assure that the federal government delivers on its commitment - a commitment which I encourage the current Congress to begin. I want you to know that Bob Dole and Jack Kemp will work for you to make sure that your goals, your interests and your solutions are the agenda in Washington."

--Bob Dole

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GOVERNOR'S OFFICE

PR96-324

**WILSON PRAISES CONGRESSIONAL LEADERSHIP
FOR INCLUDING FUNDING FOR THE BAY-DELTA**

FOR IMMEDIATE RELEASE
Wednesday, September 11, 1996

CONTACT: Sean Walsh
Ron Low
(916) 445-4571

SACRAMENTO – Governor Pete Wilson today praised Speaker Newt Gingrich and members of the California Congressional Delegation for their efforts in securing \$429 million beginning Federal Fiscal Year (FFY) 1998 to implement the Bay-Delta Agreement.

"I applaud the efforts of Speaker Gingrich, Congressmen Bill Baker, David Dreier, George Radanovich, the California Congressional Delegation, California Secretary of State Bill Jones and State Senator Jim Costa for pushing through this pledge of federal funding to ensure the state's water needs are met well into the next century," Wilson said.

At a press conference held today in Washington, D.C., Speaker Gingrich, members of the California Congressional Delegation, Secretary of State Jones and Senator Costa announced the annual authorization of \$143 million for later appropriation by Congress, will begin in FFY 1998 and continue through FFY 2000. The money will be used for water quality and supply improvements in the Bay-Delta, to protect the environment and California's economic future.

On Tuesday, Wilson met with Speaker Gingrich to discuss the need for a commitment from the federal government that it would meet its financial responsibilities under the Bay-Delta Accord, which was signed in December 1994.

"Today's announcement is a major step forward in fulfilling that commitment," Wilson added. "If we are going to make significant progress in providing water to all Californians, we must have a sustained, strong working relationship with the federal government that was demonstrated today."

Proposition 204, on the November ballot, would authorize nearly \$1 billion in bonds to implement the Bay-Delta agreement. The funding authorization announced today is the first step in the federal government's long-term partnership with the State of California.



**News From
U.S. Senator**

Barbara Boxer

112 Hart Senate Office Building, Washington, D.C. 20510 - Communications Office 202-224-8120

FOR IMMEDIATE RELEASE

CONTACT: David Sandretti, (202) 224-8120

September 19, 1996

**BOXER SEEKS APPROVAL OF MAJOR FEDERAL HELP TO BREAK HISTORIC
GRIDLOCK ON CALIFORNIA WATER NEEDS
Authorization Would Complement Prop 204 Ballot Initiative**

WASHINGTON, DC — U.S. Senator Barbara Boxer is seeking approval of a \$430 million authorization of federal aid for environmental restoration and enhancements -- key elements of the CALFED agreement to secure California's water future. Boxer said she is optimistic that authorizing language will be included in the Omnibus Appropriations bill to be passed before Congress adjourns.

"The history of California can be traced in the history of our water supply," Boxer said. "By addressing our water needs in this fashion, California can stride confidently into the 21st Century. From the Central Valley to the Bay-Delta to the Southland, all of California will be better served by the completion of these projects."

Boxer went to bat on behalf of an impressive array of California urban, agricultural and environmental stakeholders. In letters to Appropriations Committee Chairman, Mark O. Hatfield (R-OR), and ranking Democrat, Sen. Robert Byrd (D-WV), Boxer wrote, "I cannot overstate the importance of this agreement as well as the significance it will have for California's long-term economic and environmental health."

The measure would complement a \$995 million bond issue that will appear on this November's California ballot -- Proposition 204. In Prop 204, voters will be asked to approve bonds to meet a variety of water supply and environmental quality projects, all related to meeting California's water needs.

The letter to Senator Hatfield is attached.

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BARBARA BOXER
CALIFORNIA
COMMITTEE ON ENVIRONMENT
AND PUBLIC WORKS
COMMITTEE ON HEARING,
YOUTH, AND URBAN AFFAIRS
COMMITTEE ON THE BUDGET

United States Senate

HART SENATE OFFICE BUILDING
SUITE 112
WASHINGTON, DC 20510-0808
(202) 224-3863

September 19, 1996

1708 MONTGOMERY STREET
SUITE 240
SAN FRANCISCO, CA 94111
(415) 488-6100
1000 EAST HERRING AVENUE
SUITE 648
EL SEGUINO, CA 95020
(209) 414-8700
806 F STREET
SUITE 2000
SAN DIEGO, CA 92101
(619) 320-3884
2300 TULANE STREET
SUITE 130
PERRIS, CA 92571
(951) 497-9100

The Honorable Mark O. Hatfield
Chairman
Committee on Appropriations
United States Senate

Dear Senator Hatfield:

I am writing to ask for your support for authorizing language in the proposed omnibus appropriations bill that can lead to a dramatic improvement in the environment and water quality in California.

I understand that it is very late in the session to bring you a request of this magnitude. However, a broad coalition of urban, agricultural and environmental water interests who hold the key to long term resolution of water conflicts in my state have asked for my help.

I am asking for language that would authorize \$143.3 million beginning in Fiscal Year 1998 for three years, for a total of about \$430 million, to provide Federal funding to complement the implementation of this coalition's plan, known as the California Bay-Delta Environmental Enhancement and Water Security Act. These funds would be used for environmental restoration purposes as approved under the so-called "CAL-FED process" which includes the stakeholders as well as the State of California and the Federal government. I cannot overstate the importance of this agreement as well as the significance it will have for California's longterm economic and environmental health. This measure complements a \$995 million State of California bond issue that will appear on this November's California ballot. Enactment of this authorization by Congress will send a strong signal to California's voters that the Federal government will be a partner in this landmark agreement.

I strongly urge your active support of this important request.

Sincerely,


Barbara Boxer
United States Senator

PRINTED ON RECYCLED PAPER



News from . . .

Senator Dianne Feinstein

of California

FOR IMMEDIATE RELEASE
Friday, September 20, 1996

Contact: Susan Kennedy
202/224-9629

SENATOR FEINSTEIN ASKS SENATE LEADERSHIP FOR FUNDING TO RESTORE BAY-DELTA ESTUARY

WASHINGTON, D.C. -- Senator Dianne Feinstein today requested that Senate leaders Tom Daschle (D-SD) and Trent Lott (R-MS) support passage of legislation before the end of this Congressional session which would authorize Congress to appropriate up to \$143 million per year for Fiscal Years 1998, 1999 and 2000 as the federal share for restoring the Bay-Delta estuary in Northern California. Such funding would be authorized only if California Proposition 204 passes this November.

Proposition 204 on the November ballot in California would authorize nearly \$1 billion in bonds to implement long term solutions to the problems facing the estuary. The ballot measure was developed as part of the CAL-FED process, a unique partnership between state and federal governments that was created to bring the Bay-Delta estuary into compliance with the Clean Water Act.

"Restoring the Bay-Delta estuary will provide California with the stable water supply it needs to sustain our diverse economy," Senator Feinstein said. "Passage of this important bill and Proposition 204 is critical to ensure that a long term, consensus-based resolution is made in the allocation of water for urban, agricultural, and environmental purposes -- a problem that has plagued California throughout this century."

"I have urged both the Democrat and Republican leaders in the Senate to take action on this legislation before the end of this Congressional session," Senator Feinstein said. "I am hopeful that we can include this bill as part of a Continuing Resolution."

The letters from Senator Feinstein to Daschle and Lott are attached.

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DIANNE FEINSTEIN
CALIFORNIA



United States Senate
WASHINGTON, DC 20510-0504

September 20, 1996

The Honorable Trent Lott
Majority Leader
United States Senate
SR 487
Washington, DC 20510

Dear Senator Lott:

I am writing to ask your assistance in helping pass a measure before the end of the Session which would authorize Congress to appropriate up to \$143 million per year for FY 98, 99, and 2000, as the federal share for restoring the Bay-Delta estuary in California. As you are probably aware, the federal government operates the Central Valley Project (CVP) in California, the largest water project in the State. While it has brought untold agricultural benefits, it also caused environmental damage to the Bay-Delta estuary, from which water is drawn for export to the central and southern portions of the State.

This November, Proposition 204 is on the California ballot, which would authorize issuance of almost \$1 billion in bonds to implement long term solutions to the problems facing the estuary. This ballot measure was developed as part of what has become known as the CAL-FED process, a unique partnership between the state and federal governments, supported by urban, environmental, and agricultural interests, that was created to bring the Bay-Delta estuary into compliance with the Clean Water Act, the Central Valley Project Improvement Act, and the Endangered Species Act. The legislation I am asking you to support would authorize the federal share for projects in Proposition 204, and would only go into effect if that proposition is passed.

Passage of this legislation and of Proposition 204 provide an unprecedented opportunity for a long term, consensus-based resolution to the myriad issues over the allocation of water that have been a bone of contention in California throughout this century. Restoring the health of the Bay-Delta estuary not only will provide California with the stable water supply it needs to sustain its economy. It also offers benefits to the entire West, because it will restore anadromous fish populations that are in jeopardy not only in this estuary, but also in the Columbia-Snake River Basin and in the Colorado River Basin.

I look forward to working with you in passing this bill, possibly as part of the Continuing Resolution. Thank you for your consideration of my request.

Sincerely,

A handwritten signature in black ink, appearing to read "Dianne Feinstein", written over a large, stylized flourish that loops around the signature.

Dianne Feinstein

DIANNE FEINSTEIN
CALIFORNIA**United States Senate**
WASHINGTON, DC 20510-0504

September 20, 1996

The Honorable Thomas A. Daschle
Democratic Leader
United States Senate
SH 509
Washington, DC 20510

Dear Senator Daschle: *Tom,*

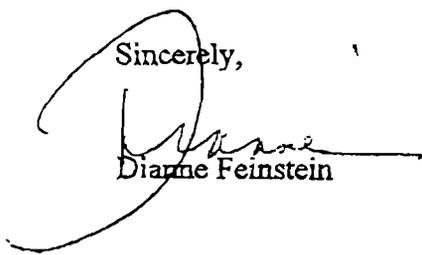
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I look forward to working with you in passing this bill, possibly as part of the Continuing Resolution. Thank you for your consideration of my request.

Sincerely,


Dianne Feinstein