

Santa Ana Watershed Project Authority

CELEBRATING 40 YEARS OF INNOVATION, VISION, AND WATERSHED LEADERSHIP

June 23, 2011

Delta Stewardship Council
980 Ninth Street, Suite 1500
Sacramento, CA 95814

Terry Catlin
Commission
Chair

RE: Comments on Fourth Draft Delta Plan

Celeste Cantú
General
Manager

Dear Council Staff:

Eastern
Municipal
Water
District

SAWPA appreciates the opportunity to provide comments on the Fourth Draft Delta Plan. SAWPA is a joint powers agency whose members include five large water districts in the Santa Ana River Watershed. SAWPA and its members are constantly working to ensure the availability of sufficient water at the appropriate quality to meet all of our ratepayers' needs at all times. We are, therefore, keenly interested in the progress of the Delta Plan and a Delta solution.

Inland
Empire
Utilities
Agency

Clearly, Council staff have worked hard on the drafts of the Delta Plan to this point, and the Fourth Draft has much to commend it. In particular, the narrative vision statement on pages 14-16 is a good format and is comprehensive. It demonstrates the challenge of projecting a desired state nine decades into the future, but at least the concepts are set down. Regarding this vision, and the rest of the Draft Plan, there will undoubtedly be many comments about details on which agreement has not been reached. I wish to comment on four general concepts at this time.

Orange
County
Water
District

Early Emphasis on Flow. The Fourth Draft calls for prioritizing the development of flow objectives in the Delta. The legislation calling for the Delta Plan also required the State Water Resources Control Board to develop flow criteria for the Delta and significant tributaries. The State Board met its first, very early deadline, but was itself not satisfied with the work to that point. The State Board intends to spend several more years reaching a satisfactory level of scientific rigor on the question of flow criteria. With this background, it seems misguided for the Delta Plan to suggest that other major planning elements must follow the development of flow criteria sequentially. It would make more sense for policy and science experts to continue to develop a vision of the uses of the Delta, including both water supply and ecosystem health, and what kinds of habitat will be viable in view of natural and human alterations of the Delta up to now and looking ahead to 2100. Once a vision of an appropriate balance of uses is developed, a more detailed evaluation of the flows needed to sustain that balance can be conducted. There are many variables in the Delta, but flows are one of the factors over which people have significant control. Therefore, flows should not drive the vision, but should serve it, and should be focused on later in the logical sequence.

San
Bernardino
Valley
Municipal
Water
District

Western
Municipal
Water
District

Reduced Reliance on the Delta for Water Supply. It is a foundational principle of the Draft Plan, and a statutory requirement for the Plan, that water users' reliance on the Delta for water supply be reduced. Neither the 2009 legislation nor the Fourth Draft Delta Plan addresses a financial reality underlying the rolling off of Delta supply. State Water Project contractors must continue to pay significant fixed charges for the Project for two more decades. It is very



difficult for Southern Californians to understand why they are expected to continue to pay the full cost of the State Water Project while also paying for new measures to ensure that they use the Project less. Moreover, the hundreds of millions of dollars going into the State Water Project fixed costs drain the resources that might be used for other strategies, such as increased recycling or groundwater desalination.

The Delta Plan may represent an opportunity. First, the Plan could address the difference between the design capacity of the State Water Project and an alternative baseline of some type for what the Project should be expected to be able reliably to deliver. This might require completion of the Bay Delta Conservation Plan and the State Board's flow criteria, but the Delta Plan might initially at least discuss a methodology. Second, the Plan could suggest that, as the State Water Contractors succeed in reducing reliance on the Delta to below some baseline established in the Delta Plan, the State would relieve the contractors of a proportional amount of the fixed charges associated with the State Water Project. This would reflect the State's interest in reducing reliance on the Delta, and could be looked to be local agencies as a source of revenue to pay for alternative supply strategies.

Finance. The suggestion that the Legislature should give the Council the authority to create user fees creates concern. This year's SB34, intended to create, in effect, a public goods charge, was very controversial and is now a two-year bill. Perhaps the inclination today is to work around the Legislature when issues are controversial, but in this instance, the controversy was not a partisan division, but a real question of policy. This is a policy decision that Californians must grapple with, but the public may not yet have the confidence that the Council is the appropriate forum for that debate.

I also note what seems to be a serious incongruity in Appendix F. It lists numerous potential revenue sources, but quickly concludes that the possible revenue that could be raised from fees on most environmental stressors is almost inconsequential. This leaves water user fees or rates as the likely major revenue source. While this is not unexpected, it does seem inconsistent with the whole idea of the co-equal goals. Surely, if ecosystem health and the protection of the agricultural and recreational character of the Delta are goals as important to the State as all of the benefits of the State Water Project, then more than a few million dollars should be able to be raised by fees on pollution discharges, habitat modification, stressful land uses, fishing, and in-Delta diversion.

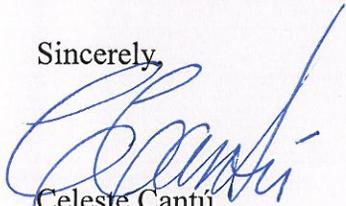
Reducing Risk. The Draft Plan's statements about reducing flood risk, and about needing to improve the public's understanding of residual risk, are exactly right. At SAWPA, in our One Water One Watershed planning process, we have been exploring the possibility of applying the concept of risk to other planning elements, in the hope that it would allow more integration of the plan and a better balance of competing beneficial uses of resources. We have not reached any conclusions yet, but I suggest that the Council might also consider applying a risk reduction and risk communication approach to other elements of the Delta Plan. The concept

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of water supply reliability is essentially a risk-based approach. Ecosystem health, subject to so many variables of weather, pollution, predation, and climate change, also might be viewed in terms of a set of risk levels.

SAWPA would be pleased to answer any questions or discuss these comments with you at any time. You may reach me at ccantu@sawpa.org or 951.354.4229.

Sincerely,



Celeste Cantu
General Manager

CC:LM:pb