

ASSOCIATION OF CALIFORNIA WATER AGENCIES

Policy Statement Regarding

DELTA VISION BLUE RIBBON TASK FORCE

FINAL STRATEGIC PLAN

AND

DELTA VISION CABINET COMMITTEE

IMPLEMENTATION REPORT

March 2009

Background

California is facing the most serious water crisis in its history, because of the combined effects of drought, increasingly-stringent environmental protections on water project operations, inadequate infrastructure and the failure to protect the reliability of existing water supplies. The state's water system was designed and constructed by far-sighted leaders during the 20th century and provided valuable services to a growing economy for a half century or more. But today, circumstances are changing significantly and that magnificent system is failing with adverse effects for both California's economy and environment. In fact, there has been a substantial reduction of available water supplies conveyed across the Delta.

At ACWA's urging in its 2005 report, *No Time to Waste: A Blueprint for California Water*, Governor Schwarzenegger convened a Blue Ribbon Task Force (BRTF) to take an "outside the box" approach to resolving environmental and economic challenges, especially those related to the Sacramento-San Joaquin River Delta. The BRTF completed a Delta Vision Statement in December 2007 and a recommended Delta Vision Strategic Plan (Strategic Plan) in October 2008. That Plan was reviewed by a Delta Vision Cabinet Committee of state cabinet-level officials, which submitted recommendations to the Governor and Legislature in January 2009 that supported the Strategic Plan recommendations, with the exception of governance.

The Strategic Plan calls for a comprehensive, bold action plan to be implemented on an urgency basis that would physically reshape California's water supply and conveyance systems to dramatically reduce conflict between the state's water supply system and its aquatic environment. Unfortunately, the Strategic Plan also recommends a number of unnecessarily-adversarial implementation strategies, including proposals that would require the reallocation through regulatory actions of water from existing Delta-watershed uses to Delta ecosystem uses. ACWA heartily supports the aggressive pursuit of the physical changes to our state's water supply and conveyance systems in the Strategic Plan. At the

same, however, ACWA must oppose implementation strategies that would be a path to protracted and unnecessary conflict, rather than a path to a Delta solution. This policy statement provides an overview of ACWA's views regarding the Strategic Plan and proposes implementation strategies that are likely to be successful.

The Delta Vision Strategic Plan: Key Physical Elements

In the most-sweeping vision of California's water future since Governor Pat Brown oversaw the implementation of the 1957 State Water Plan, the Strategic Plan proposes a comprehensive plan that contains six key physical elements:

1. **Coequal Goals:** Perhaps most important, the Strategic Plan is built on the common sense principle that we must treat the health of the environment and water supply reliability as coequal policy goals. While this sounds simple, ACWA believes that this concept will, in fact, be highly complicated in its implementation and will substantially change how we think about investing in and operating the state water supply and conveyance systems. Operating these systems to accomplish the coequal goals will require the development of effective adaptive-management mechanisms based on sound, peer-reviewed science. ACWA strongly supports the general concept of the coequal goals, and pledges to work cooperatively to develop effective implementation strategies for the Strategic Plan, the Bay Delta Conservation Plan, and other actions in the future.
2. **Dual Conveyance:** The Strategic Plan recognizes that we must implement a dual conveyance system that conveys water around as well as through the Delta for delivery of water to in-Delta users, the Bay Area, San Joaquin Valley, Central Coast, and Southern California urban and agricultural economies. Over time, it will be critical to determine how best to operate improved conveyance *in order to accomplish the coequal goals.*
3. **Storage:** According to the Strategic Plan, "improved conveyance through the Delta serves little purpose if there are not sufficient reservoirs or underground water banks both north and south of the Delta to store the water." (Strategic Plan, page 36) Accordingly, the Strategic Plan calls for the construction of additional surface and groundwater storage so that we can pulse water through the system at the right times and temperatures for fishery recovery purposes, adaptively manage the system to climate change and snowpack loss, and better serve a growing economy. California must have additional water supply infrastructure to more efficiently and effectively manage its water resources to achieve the coequal goals of the Strategic Plan, as well as to deal with the impacts of climate change and the potential loss of one-third of our greatest source of water storage – our snowpack.
4. **Local Resource Development:** "Dramatically improved water use efficiency, conservation, and alternative supply development must be the bedrock of California policies at the local, regional, and state levels." (Strategic Plan, page 32) ACWA agrees. Local resource development at unprecedented levels, along with assuring the reliability of historically-available import supplies, will be the key to meeting the water demands of a growing economy and population in the 21st

century. ACWA has developed water conservation and water use efficiency principles to achieve these goals through an implementation strategy that has the greatest chance of being successful.

5. **Habitat Restoration:** To accomplish the environmental side of the coequal goals, we must restore natural processes to the system. The Strategic Plan states: “Revitalizing the Delta ecosystem on a large scale requires restoring each of the habitats that existed in the historic Delta – tidal marshes, floodplains, seasonal grasslands, small areas of open water – and ensuring appropriate connections between them wherever possible.” (Strategic Plan, page 28) This element poses special risks for water supply reliability, but ACWA believes that we must find a way to restore natural functions to the ecosystem while maintaining adequate levels of high-quality water supply for our economy.
6. **All Stressors:** Fisheries have no hope of recovering if regulatory agencies continue to focus inordinately on a single stressor, the operations of water projects. The Delta Vision Cabinet Committee, in responding to the Strategic Plan, required state regulatory agencies to immediately expand their activities to include consideration of ALL significant stressors, including stormwater runoff from urban areas, agricultural drainage, and ammonia discharges from wastewater treatment plants in the Delta watershed.

The Task Force and Cabinet Committee both recognize the urgency of the California water crisis. As the Cabinet Committee’s report indicates, there is no time to waste. We have to act now. Equally important, we cannot cherry-pick – only the implementation of a *comprehensive program* will accomplish the coequal goals. The Strategic Plan correctly points out that “[a]ll strategies must be carried out together to be successful.” (p. 23) “California must develop a system in which scheduling, permitting, and financing of major water supply and ecosystem projects are linked.” (p. 30)

ACWA strongly supports the physical framework for California’s water future as proposed in the Strategic Plan and by the Cabinet Committee. Only the implementation of such a bold, comprehensive plan can reduce the conflict that has decimated both fisheries and water supply reliability in recent years and provide the foundation for reliable water supplies and a restored environment in the future. And we could not agree more that “The Time is Now.” Just as important, however, there must be an implementation strategy that is built on our existing water rights laws and processes that have proven successful in the past.

Implementation Principles

While California must implement a comprehensive program to respond to the current, severe water crisis, that program must be implemented consistent with the following core implementation principles.

1. **Governance:** ACWA commits to working cooperatively to develop a transparent and effective governance approach that allows the Delta Vision physical solution to move forward in a timely manner. We support in concept the creation of a Delta Conservancy; the creation of a California Water Utility that separates the operation of the State Water Project from the Department of

Water Resources planning and regulatory functions and enhances the coordinated operations of the SWP and CVP; and modifications to the Delta Protection Commission. ACWA supports and will assist in efforts to improve the coordinated actions of state and federal agencies engaged in the Delta and recognizes the importance of reconciling the actions of numerous agencies so that a coordinated “big picture” plan is being implemented. However, we share the concerns of the Cabinet Committee and do not at this time support the creation of an authoritarian California Delta Environmental and Water Council. Despite arguments to the contrary by the BRTF, ACWA believes that the creation of such a new layer of bureaucracy that is “in charge” will undermine and not advance the achievement of the coequal goals.

2. **Water Rights:** Large and small, agricultural and urban communities throughout California depend upon water rights that provided the foundation for their economic development. ACWA recognizes that the water right system must be flexible, it must be capable of adapting to changing circumstances and we must have effective enforcement. We believe that the existing system can accommodate change, and ACWA opposes radical adjustments to that system. Any Delta Vision solution must respect existing water rights, including related area of origin protections. Any modifications to existing water rights should occur through the existing system, be based on evidence that the exercise of an existing right causes an impact of concern, and that provides remedies that are proportional to those impacts.
3. **Staging:** It is imperative that implementation of the comprehensive Strategic Plan package occur in stages, consistent with the principles of BRTF, to assure that efforts to improve one of the coequal goals does not adversely affect achievement of the other. ACWA and its members were critical at times during the Delta Vision process of proposals to implement certain flow requirements for improvement of fisheries (only a portion of which could require one million acre-feet per year or more). In part, these criticisms reflect the fact that, whatever level of flows ultimately may be required based on sound science, *we do not operate a system today that could provide these flows without major economic dislocations*. Similarly, flow requirements in the Delta today are exceptionally costly because the current physical system comingles water for the environment and economy resulting in high levels of conflict between the coequal goals. As we invest in the physical vision of the Strategic Plan, the level of conflict between the coequal goals will decline – indeed, this is a central feature of the vision itself. Consequently, phased implementation – that is, quantified goals over time that respect the capabilities of the physical system at that time – is essential if we are to avoid trading off the coequal goals against one another. Nevertheless, there must be an unqualified commitment to all aspects of a comprehensive Delta solution, including ecosystem restoration, water quality requirements, water conveyance infrastructure and development of new water storage infrastructure.
4. **Finance:** The water community has a strong willingness to pay for the benefits that would result from the implementation of actions to restore and sustain the reliability of adequate supplies of high quality water. We will finance solutions that create value for water agencies and their customers where there is a nexus between funds paid and benefits received. We believe that the best means to accomplish these financial goals is to rely on collaborative processes and

contracts in which the payers of funds can be assured of commensurate benefits. The Bay Delta Conservation Plan is an example of such a process with strong potential to finance major elements of the Strategic Plan. The fee proposals in the Strategic Plan and Cabinet Committee report are not consistent with this bedrock financial principle. ACWA does not support these proposals because we believe that they impose fees on water use to raise general revenues, and provide public benefits and are inconsistent with the beneficiaries pay principle and sound fiscal policy.