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5. WATER: Calif. governor wants new storage projects

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Though he barely mentioned it during his "state of the state" speech Tuesday night, California Gov. Arnold Schwarzenegger (R) has proposed spending nearly \$6 billion for new water storage facilities, water conservation and habitat restoration programs as part of a new \$40 billion "Strategic Growth Plan" revealed this week.

"We must invest in public safety, water supply, courts, education and transportation," the governor said in his speech, after alluding to a projected 30 percent growth in population in the next few decades. "Building California is not a burden; it's not a chore; it's a privilege."

The plan picks up on elements that Schwarzenegger had proposed last year in a massive \$221 billion proposal, such as water storage and new prisons, that did not make it into the package of bond initiatives approved by voters in November.



A new reservoir project at Temperance Flat on the San Joaquin River would include the first state-owned dam built in 30 years. Photo courtesy of Calif. Department of Water Resources.

With the approximately \$35 billion from those measures still to be allocated and prioritized with legislative input, including \$4 billion for levee restoration efforts, Schwarzenegger showed he is anxious to move ahead on new infrastructure. "People expect to see action," he said. "We must authorize the cranes, the cement mixers and the bulldozers to start right away. This is about the people's trust and me must not disappoint them."

While Schwarzenegger spent more time in his widely broadcast speech touting ambitious proposals for near-universal healthcare coverage, the alternative transportation fuels program and a promised balanced budget also announced this week, the details of his water proposals were being divulged by officials of the Department of Water Resources to a smaller audience of reporters.

In an interview with *Land Letter*, Mark Cowin, chief of DWR's planning and local assistance division described the proposal to issue \$3.95 billion in general obligation bonds and \$2 billion in revenue bonds that would fund new storage and rehabilitation projects. The big-ticket items would include a new dam and reservoir at Temperance Flat, above Friant Dam and Millerton Lake on the San Joaquin River, and a huge new off-stream Sites Reservoir, west of the Sacramento River. They would be the first new state-owned reservoir and dam projects in over 30 years.

The Sites reservoir could hold as much as 1.8 million acre-feet of water, while several variations on a new reservoir at Temperance Flat may be able to store up to 1.3 million acre-feet, he said. The state would like to complete feasibility studies by mid-2008 for voters to assess the projects as part of the November 2008 ballot, he said.

One drawback could be at Temperance Flat, which is above the Friant Dam system managed by the federal Bureau of Reclamation, which has a study schedule calling for a final report in July 2009. "We're going to have to find a way to step that process up," Cowin said.

Both projects have been contemplated and studied for years as part of numerous options explored by the Cal-Fed consortium of state and federal agencies, Cowin said. "These two projects have the greatest potential for broad inter-regional benefits," he said. The expected benefits include: flood control, improvements to the environment, more security of supplies and a response to future climate change that could adversely impact run-off patterns.

More than dams

Also in the package is a \$1 billion allocation for improving the sustainability of the Bay-Delta region, a critical waterway that faces numerous threats to water supplies and fish health. Exactly how those funds would be spent depends on the outcome of the current Delta Vision process ([Land Letter](#), Nov. 30, 2006).

Cowin also emphasized a \$250 million portion of funding devoted to environmental restoration programs for crucial but threatened resources like the San Joaquin River and the Slaton Sea ([Land Letter](#), Oct. 26, 2006) and \$200 million for water conservation and efficiency projects.

"Storage isn't the silver bullet," Cowin said. "We need to use water more efficiently. We don't argue that there's not a lot more to be gained from conservation, but this is a multi-tool approach."

Among supporters of the idea for new storage is the Northern California Water Association, a group of water rights holders and local governments. David Guy, executive director of NCWA generally applauded the governor's proposal for taking a lead in the face of expected growth and possible climate change impacts. "We could be losing our biggest reservoir in the form of Sierra snowpack," he said. "We need more water for fish, for birds, for agriculture and for people."



The proposed Sites Reservoir would flood over much of Antelope Valley, west of the Sacramento River, to enhance flood protection and water supply reliability. Photo courtesy Dept. of Water Resources.

NCWA believes the Sites Reservoir would greatly increase reliability of water supplies and reduce water diversions from the Sacramento River during critical fish run periods, although it would flood a huge expanse of land in the Antelope Valley. "It's a beautiful valley, no question," Guy said. "But there's not a large population base in the area, and all-in-all the environmental impacts are relatively low."

Critics, however, believe new dams are unnecessary in California. Peter Gleick, president of the Pacific Institute in Oakland, called the governor's proposal "a gross error. If he thinks building dams is the best way to address water problems, he's getting bad advice."

Gleick said that Schwarzenegger last year vetoed several pieces of legislation that could have save far more water that the proposed storage would hold at much less of a cost.

Although a key to the bond plan is that water users will end up paying for increased supplies, Gleick was skeptical. "Who is really going to pay? The people who want these projects aren't willing to pay for them," he said, so taxpayers will end up footing the bill. "We can't afford to do it all, and we don't need to do it all," he said.

Environmentalists and water users in Northern California are also concerned that storage proposals are really meant to subsidize Central Valley agricultural water use and provide more water for exports to Southern California.

Cowin denied that any of the projected funds would go to build the long-proposed Peripheral Canal, although there is an admitted element of improving the reliability of export supplies. "This is not about jacking up exports but to make sure the supplies will be there," he said. "We'll be relying on exports from the delta for decades to come."

Some of the skepticism about the need for new storage is already being heard in the Legislature, despite Schwarzenegger's calls for "post-partisanship" in addressing California's infrastructure problems. When asked by a San Diego newspaper reporter about the new dams, Assembly Speaker Fabian Nunez replied, "Democrats don't support water storage. I learned that last year." The governor will need lawmakers' support for a bill to bring the strategic growth package before voters.

But, in Sacramento, last year was a whole different reality for a whole host of issues, as Schwarzenegger explained during his speech. "We're addressing needs that have been ignored for decades," he said, referring to healthcare, prisons, education, water infrastructure and redistricting reform. "Change is in the air. We can make it work," he said.

Describing the joint efforts in 2006 to enact a landmark greenhouse gas reduction program and to reach consensus on a budget, Schwarzenegger urged lawmakers to remain committed to building California's future. "We accomplished historic things last year. Let's make this year historic as well," he concluded.

[Click here](#) to read the new "California Strategic Growth Plan."