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6. WATER: Gov. Schwarzenegger revives dam, Bay Delta hopes in special session (09/20/2007)

Arthur O'Donnell, *Land Letter* editor

California Gov. Arnold Schwarzenegger (R) brought lawmakers back to Sacramento this week for a special session to deal with two contentious issues left undone during the regular legislative session – health care and water. To spur what will likely be spirited negotiations with the Democratic majority on how to address water matters, Schwarzenegger proposed a \$9 billion bond measure that he hopes to place on the presidential primary ballot Feb. 5.

"Our water crisis has gotten worse with the dry conditions and the recent federal court action that is going to have a devastating impact on the state's economy and the 25 million Californians who depend on delta water," said Schwarzenegger in a Sept. 18 statement announcing the proposal. "We need a comprehensive fix."

While the governor turned his attention to health care issues at Southern California media events, Resources Agency Secretary Mike Chrisman and Department of Water Resources Deputy Director Mark Cowan led the effort to promote the spending plan during a conference call with water users and interested groups Wednesday. Chrisman outlined the major features of the proposed bill:

- \$5.1 billion for two new surface storage projects, including a new dam at Temperance Flat on the San Joaquin River and a huge Sites Reservoir in the Sacramento Valley. The governor had identified these projects as part of his initial budget proposal, but they never made it out of legislative committee (*Land Letter*, Jan. 11). A new addition to the plan would be expansion of the Los Vaqueros Reservoir in Contra Costa County, to provide flood control and backup supplies for some northern urban water districts located along the San Francisco Bay. The state would provide up to 50 percent of costs for new infrastructure, but the rest "must come from local sources or the federal government," Cowan said.
- \$1.9 billion for projects to sustain the health of the Bay Delta region, including water quality improvements, repairs to critical levees in the delta, and possible new "conveyance" projects to reduce pressure on delta fish species that have been brought to the edge of extinction by export pumping on the state water project. While the package does not specifically fund a new canal, Chrisman said the choice of spending priorities will be "informed" by the recommendations of the delta blue ribbon task force, which is expected to propose some version of a "peripheral canal" or delta channeling project. "In recognition of our commitment to get the delta fixed, there's got to be some form of conveyance," Chrisman said, to try to assure water users. "The package also says that those who benefit from conveyance should pay for it."
- \$1 billion for regional water supply projects that would take the form of grants to local agencies to prioritize water management plans, conservation programs, recycling and groundwater management programs.
- \$500 million would be devoted to other local programs that might include desalination projects.
- \$500 million for ecosystem restoration in the delta.

In addition, the plan would allocate up to \$600 million in funds from previously issued bonds for immediate actions to preserve water supplies in the face of what could become a long-term drought situation, Cowan said.

The bill had not yet been given a number, but it is expected to be sponsored by Fresno Sen. Larry Cogdill (R). Cogdill also authored the administration's previous version of a Reliable Water Supply Bond Act, S.B. 59, which died in committee in April.

Competing plans

The administration said it is hopeful it can reach agreement with lawmakers in order to float a ballot measure in February. "Do

we have time?" Chrisman said in response to a skeptical query. "We have to make the time. The time is now."

Still, while deferring the canal debate, the Schwarzenegger plan faces stiff opposition for its large financial commitment for new dams and storage projects, while environmental groups want to see even greater emphasis on conservation. John White, a Sacramento lobbyist who works with the Sierra Club, likened the proposed dam and storage sites to adding nuclear plants to the state's power system – big, costly and unnecessary.

Also complicating the administrations strategy is the fact that Senate President Pro Tem Don Perata (D) released his own \$5.4 billion bond proposal on Sept. 14.

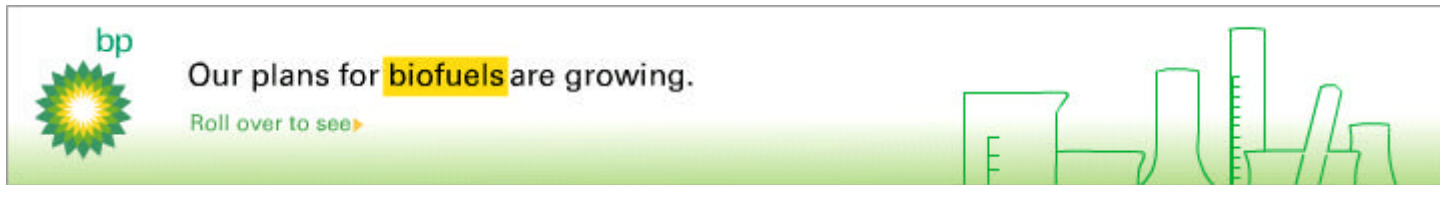
One state measure, the Water Supply Reliability General Obligation Bond, would appropriate \$2.4 billion for restoring the Sacramento-San Joaquin Delta, the hub of the state's water system; \$2 billion for regional water supply reliability projects, such as dams; and \$1 billion to resolve environmental-water conflicts, such as the Salton Sea and Klamath River. Perata also is shooting for a February ballot placement and promised a floor vote this week.

Assembly Speaker Fabian Nunez (D), however, has signaled that his side of the legislature is not so eager to push for ballot placement in February, and he would prefer to place it along with a healthcare measure in November 2008.

During the last week of the regular session, Perata finally won approval of his S.B. 1002, which allocates \$611 million for immediate improvements to the delta and other water-related projects, using money from Propositions 1E and 84, which voters passed last fall. This bill is currently sitting on Schwarzenegger's desk, but since it duplicates a portion of the administration's proposed plan, the measure might become part of the legislative horse-trading sure to entail in the hurried special session.

"This is a negotiated process we're going through," Chrisman said. "As the governor said, 'Everything is on the table.'"

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