

**DELTA PROGRAM / FEDERAL FUNDING**  
**Editorial: Watered-down hopes**  
**For new reservoirs, don't expect subsidies**  
**Sacramento Bee - 10/26/04**

California's congressional delegation did something rare and important recently. It managed to agree on legislation to advance water and Delta/river habitat projects in California. As a political achievement, particularly for Sen. Dianne Feinstein and Rep. Richard Pombo of Tracy, this is one to relish.

But the political success had its price - or more accurately put, its scaled-down price. There's a lesson here - to be wary of relying so much on Washington - that California's water community is slow to learn.

To get this bill through Congress, Feinstein and Pombo had to shrink this funding bill from an estimated \$2.4 billion down to \$395 million to be stretched over four years. That is a reduction of more than 80 percent. California's wish list of water and habitat projects, however, has not decreased by 80 percent. If anything, it has grown.

Finance - the mismatch between the supply of subsidies and the demand - is the biggest challenge for Cal-Fed. This is the name given to the state/federal effort to better manage the Sacramento-San Joaquin Delta and simultaneously make progress on the water needs of humans and fish.

Cal-Fed has been remarkably successful at getting more than a dozen state and federal agencies to co-manage the Delta, and at providing better science. It derived its ambitious list of restoration, reservoir and conveyance projects - with a cost perhaps as much as \$30 billion - during the late 1990s, when the federal and state governments were running big surpluses. That's no longer the case.

Cal-Fed is studying whether to build a new generation of reservoirs, but the new federal legislation contains no funds to actually construct any of them. The most ardent proponents of reservoirs seem to be banking on considerable federal help in building them.

That seems more than a little backward in terms of logic. If any given water supply project has merit, whether it is desalination or conservation or a reservoir, shouldn't the water districts that would benefit be lining up to make the investments directly?

Consider the State Water Project. This system of dams and aqueducts was built by the state borrowing the funds and the water districts paying off the debt. This is a reliable method of financing projects. But with future projects, the challenge is identifying who benefits from them (and thus who has to pay off the debt). That may sound simple. But it's not.

Politically, a tempting solution is to find somebody else to pay (as in state or federal subsidies). Neither, however, seems a likely source for all the desired funds, or anything close. The future Cal-Fed projects that will actually be built will be the ones that figure out the financing.#

<http://www.sacbee.com/content/opinion/story/11220110p-12135897c.html>