

The Delta Facility

A water pipeline circumventing the Delta should be built to improve conditions for fish and wildlife in the Delta, to reduce reliance on the stability of Delta islands, and to improve the quality of water delivered. The pipeline will avoid seepage on to adjacent lands, minimize right of way requirements, and avoid disruption of transportation and other infrastructure.

Political resistance to building the a circum-Delta facility has traditionally come from Northern California, which claimed that no matter what constitutional protections were in place, the facility operators could not be trusted to operate it in a way which would not damage the Bay-Delta environment. Using water contractor funds to build and operate the pipeline made it more likely that the contractors would want to operate it in a way which maximized their benefits.

One way to respond to this concern is to build the pipeline with general funds, and then turn it over to a new Northern California based operating agency. That agency would have complete control over the operation of the pipeline. They would contract with any water agencies who wish to take water from the pipeline, such as the State Water Project (SWP) and federal Central Valley Project (CVP). The water agencies would pay only for water transmitted through the pipeline. They would continue to have the ability to divert water through the existing Delta water delivery system. Operation of the pipeline would be subject to regulatory conditions placed by the State Water Board and other regulators.

Possible members of the new Agency could be the ABAG and Delta counties, commercial and sportfishing interests, and environmental representatives. Although Bay Area water agencies would be highly interested in the actions of the Agency, they would not be represented on it, since they could contract with the Agency for water service.

The pipeline would be sized large enough to deliver all the water for the State Water Project and Central Valley Project. It would have the ability to deliver water to water agencies along the right of way, and for ecological and water quality deliveries. If the Delta water agencies agree to accept their water rights water from the pipeline, the Delta could regain its tidal nature, which is critical to its biological integrity.

Of course to gain the quality benefits that would be delivered by the pipeline, it would best if it delivered as much CVP and SWP water as possible. While the urban agencies are likely to be willing to pay a reasonable fee to use the pipeline, the agricultural agencies might be more reluctant, since they do not need the improved quality. However the urban agencies will probably convince the agricultural agencies to make use of the pipeline to preserve the quality benefits.

All water delivery contracts could limit the total amount of water exported from the Delta by the contractor, if both the Agency and the contractor agreed on such a condition.

The Agency would use its funds in the following order of priority

- 1) to operate and maintain the pipeline, and run the Agency.
- 2) to fund the following programs. A fixed percent of the funds would go to each program
 - maintain Delta levees, based on existing state programs.

- Interagency Ecological Program, Environmental Water Account and Ecosystem Restoration projects, and other projects to protect and restore the ecological health of the Bay-Delta estuary and its watershed. This could include purchase of water rights for the environment.
- Projects to improve the quality of the Sacramento and San Joaquin Rivers

Like the State Water Project, the budget of the agency would be entirely within its own control, and not subject to legislative appropriation.

Some believe that by preventing “carriage water” losses, this facility would have a water “yield” (annual water savings). If so, this yield could be dedicated to the environment, since the facility is being paid for by the general fund.

Most or all of the more than 7 million acre feet per year presently pumped from the Delta could be transmitted through the pipeline. Depending on the transmission charge, revenue could exceed \$200 million per year. The Agency would have to establish a procedure to receive short and long term proposals from government agencies (including CalFed and the IEP) and non-profit organizations. The Agency would have complete discretion to spend revenues, within the bounds of the purposes of the act creating it. Due to the long term nature of the revenue stream, it would be possible to make grants for multi-year projects through the use of bonds..

The Agency would be established through state legislation. Funding for the pipeline would be provided through a state general obligation bond act. The measure presented to the voters would include both the bond act and the creation of the agency (as part of the bond act), so that the agency and its powers could not be altered except through a vote of the people.

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