

## Hard-won water deal still faces hurdles

Voters must decide on \$11 billion in bonds

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### The \$11 billion question

Voters will go to the polls in November 2010 to decide whether the state should invest \$11.14 billion for water projects. The bond measure's major components include:

•**\$3 billion for building new reservoirs**

•**\$2.25 billion for programs to restore the Sacramento-San Joaquin Delta**

•**\$100 million to help enlarging the San Vicente Reservoir**

•**\$87 million for programs in San Diego County, including a groundwater-recharge and river restoration project in the El Monte Valley, water reclamation in Santee, and water-quality safeguards upstream from El Capitan Reservoir**

•**\$40 million for watershed programs in the county, with half going to the San Diego River Conservancy**

**SACRAMENTO** — The Legislature yesterday passed a sweeping package of policies and a massive bond measure that together represent the most significant breakthrough on water management in nearly 50 years.

But amid celebration in the Capitol, there was broad recognition that steep challenges loom before California can recover from years of paralysis over how to improve water supply, distribution and conservation.

Chief among the hurdles: Voters next fall will have to approve about \$11 billion in bonds to fund a range of projects, including reservoirs and unproven environmental protection programs.

Nevertheless, Gov. Arnold Schwarzenegger hailed the moment.

"This is the best investment in the future for California anyone can make," Schwarzenegger said.

Schwarzenegger expressed confidence that voters understand the consequences of not putting money into fixing the state's aging water-supply network.

He probably will sign the legislation next week.

Also cheering were many officials and business leaders in San Diego County who had pushed hard for passage of a compromise package.

"It means people will be able to count on getting water when they need it," said San Diego Mayor Jerry Sanders.

Sanders quickly stressed that people shouldn't go back to taking long showers, hosing off sidewalks or running sprinklers in the rain.

San Diego plans to keep its rationing plan in place, and its leaders warn that parts of the statewide initiatives would force rate increases — perhaps as much as \$48 per household per year.

The package also includes complex conservation targets that must be met by 2020, potentially requiring San Diego residents and businesses to save at least 5 percent more than what they have pared already.

For Sanders, there is little room for failure because water is a crucial economic driver. He and others said industry growth, robust employment levels, stable product prices and other business costs are tied to having a reliable water supply.

"It's not about your front lawn," Sanders said. "It's really about your job."

The county's business leaders pressed that theme as they lobbied lawmakers to reach an agreement.

"If they hadn't passed this, the exodus of business would just accelerate," Tom Sudberry Jr., a prominent developer in the San Diego area, said yesterday. "This will give business some hope."

The hard-fought deal, reached after several days of around-the-clock negotiations, includes the bond measure that will be placed on the November 2010 ballot.

Of the roughly \$11 billion total, \$3 billion would be set aside for building new reservoirs and \$2.25 billion to launch an aggressive campaign to restore the economically vital but environmentally fragile Sacramento-San Joaquin Delta.

About one-third of San Diego County's water — and two-thirds of Southern California's — flows through the delta.

The delta would be managed by a new oversight council that will wield considerable influence over its future, including whether a historically divisive canal should be built to bring water from the north to Southern California.

Designing a canal that aligns with efforts to revive the delta's imperiled estuary, where levees are crumbling and fish populations are dropping, remains a daunting task. So is paying for that canal, which won't be built with any of the proposed state bond money.

The San Diego County Water Authority has long pursued construction of the canal, believing the project is the best way to bring water south with the least harm to the delta.

"That's our No. 1 priority," said Dennis Cushman, the authority's assistant general manager.

A court order and subsequent environmental protections have curbed the amount of water that can be pumped through the delta. A three-year drought has only made matters worse.

Besides pushing for the canal, local water officials have supported efforts to increase water-storage capacity. The new bond measure would provide \$100 million toward expanding San Vicente Reservoir, a cornerstone of the water authority's long-range plans to develop a more reliable supply.

The \$568 million project will raise the dam 117 feet so it can store an additional 152,000 acre-feet — enough for more than 300,000 households a year.

Lawmakers such as Assemblyman Martin Garrick, R-Solana Beach, were sold on the promise that the package would help the economy and environment without creating unreasonable costs.

"It's a responsible and appropriate action, particularly in San Diego where we're at the end of the pipeline," Garrick said.

Senate President Pro Tempore Darrell Steinberg, D-Sacramento, had touted the fiscal benefits as he sought Republican votes.

"In a struggling economy, this package is going to create the opportunity for hundreds of thousands of high-wage jobs," Steinberg said yesterday.

But many of the policy initiatives will take years to prove themselves, particularly those aimed at improving the delta. Bond sales will be spaced out to avoid large debt payments, potentially delaying progress. None of the money for reservoirs will be released until after 2015.

Despite the package's emphasis on delta restoration, environmentalists were fractured.

Barry Nelson, who helped negotiate key elements on behalf of the Natural Resources Defense Council, racked it up in the win column.

"All these are real changes with teeth," Nelson said.

Among them: Mandates to reduce reliance on the delta for water exports to cities and farms ensure that any conveyance is paid by agencies benefiting from it and establish water-saving targets of up to 20 percent by 2020, depending on the area and its current level of water conservation.

Environmentalists were dealt a blow when lawmakers balked at increasing penalties for illegal diversions from the state's waterways. The Legislature also weakened measures to monitor groundwater use.

Carl Pope, executive director of the Sierra Club, writing online on The Huffington Post, branded the package as "more of the same."

"The taxpayers are still being asked to pay for damages to common water resources done by private interests, and our children are being asked through bonds to bail out those who created the problem," Pope wrote.

Some of the Legislature's plans, particularly the canal, drew sharp dissension from some farmers and fishermen who have long relied on the delta for their livelihoods and recreation. They were lobbying hard in the final days.

Angler Gary Adams of Concord said the sportfishing industry already has suffered greatly and fears the legislative package may authorize a water grab that will exacerbate matters.

"Our heritage is at stake," Adams said. "It would be like us coming to San Diego and eliminating your fishing for yellowtail."

