

July 26, 2014

Ryan Wulff, NMFS
650 Capitol Mall, Suite 5-100
Sacramento, CA 95814

Dear Mr. Wulff:

SPUR appreciates the opportunity to comment on the draft Bay-Delta Conservation Plan (BDCP). SPUR is a member-supported Bay Area nonprofit organization that is devoted to good planning and good government. We have long been involved in state and regional water policy development, from securing Wild & Scenic status for the Tuolumne River in 1984, to supporting San Francisco's \$4.6 billion Water System Improvement Program in 2002, to proposing a hierarchy of sustainable and reliable water supplies for the Bay Area in our 2013 report, *Future-Proof Water*.

SPUR opposed the proposed Peripheral Canal in 1982. Today, we are much more enthusiastic about the BDCP. The BDCP proposes to secure two of the most important existing water conveyances in the state while meeting environmental goals for the Delta. The BDCP provides a regulatory framework, creates a habitat conservation plan to contribute to the recovery of threatened and endangered species in the Delta, and represents an historic collaboration of agencies and stakeholders over many years to characterize and develop a response to threats facing the region.

BDCP is perhaps the most important and ambitious conservation and development project ever undertaken in California. Past efforts to reconcile the co-equal goals of water reliability and ecosystem health in the Delta have largely failed. The BDCP process has provided stakeholders with a clear sense that doing nothing will virtually guarantee the demise of both the Delta's ecosystem and its water supply conveyances that serve 20 million Californians. We would never design or permit the Delta of today, in which reversed river flows have endangered species, the state's largest estuarine ecosystem is in decline and threatened by climate change, seismically-unsafe levees subject thousands of people and farms to imminent flood risk and economic loss, and millions of Californians are at risk of severe, long term water supply disruption. We believe that implementing BDCP may be our last, best chance to sustain the region.

The following are our comments and concerns about the project:

1. Although full funding has yet to be identified for both the water supply tunnels and the restoration effort, there needs to be a fair allocation of costs for the \$25 billion, 50-year implementation of BDCP. Beneficiaries of the project include more than Bay Area and southern California water ratepayers. Two-thirds of water supplies conveyed through the State Water Project and Central Valley Project are used for agriculture that is an important contribution to the food supply of the entire United States. Water

contractors including both urban users and farmers should not be expected to bear the entire cost of either the tunnels or the restoration effort over fifty years. We support a funding approach that considers all the indirect beneficiaries of the project, the national significance of the Delta's ecosystem, and identifies permanent state and federal sources to fully restore the 80,000 acres envisioned in BDCP. In short, we recommend that under the "beneficiaries pay" principle, a broader set of users or stakeholders than just the direct contractors of the State and Central Valley Projects should bear the costs of water supply reliability, represented by the tunnels, and the costs of the BDCP's 21 other conservation measures that relate to the Delta's ecosystem health.

2. We support the BDCP's approach to using adaptive ecosystem management. Adaptive management is an approach to species and land management planning that incorporates observations and flexibility to adapt to a changing environment. This type of approach, which we have employed in our own climate adaptation planning work, is essential given the uncertain, stochastic nature of climate change and other disasters and will give the long-term nature of BDCP implementation a way of measuring and improving its chances of success.
3. We urge the state to support and to fund water efficiency efforts and the development of sustainable, reliable and alternative water supplies, especially in areas that are currently served by the Delta. Securing water conveyances in the Delta with new tunnels and restoring its ecosystem will undoubtedly improve its reliability and health. But as we are seeing in this year's historic drought, a better Delta will not sustain water contractors and ratepayers if the water's not there to begin with. With California expected to add 8 million people by 2030, mostly in the state's urbanized areas, and with climate change expected to potentially result in a massive loss of snowpack, we need to make better use of the water we already have, and build reliable new supplies. We especially support expanding water supplies through recycled water and indirect and direct potable reuse. We urge the state Department of Water Resources and Department of Public Health to create a permitting process to allow direct potable reuse as soon as possible.

Modeling that SPUR conducted for our report, *Future-Proof Water*, found that by 2100, the Bay Area may need up to 47 percent more water than it uses today. Cities and water agencies can together reduce future water demand by permitting only compact, water-efficient development and sustaining investment in conservation programs. We know that BDCP is about protecting the state's existing water supplies, not providing new ones – but without additional re-use projects that provide reliability, especially for droughts, ratepayers may grow cold on the sustained investment BDCP will require over decades if its benefits are not regularly apparent.

Overall, we encourage you to consider that a very broad set of beneficiaries could help pay for the project in various ways—making it more affordable by spreading out costs— while many would benefit from support for building alternative supplies which could help reduce dependency and pressure on the Delta.

Thank you for your consideration of our comments and for your thoughtful approach to the historic challenge of sustaining California's Bay-Delta.

Sincerely,

Laura Tam
Sustainable Development Policy Director

S. Bry Sarte
Chair, SPUR Water Policy Board