



RANDELE KANOUSE  
SPECIAL ASSISTANT TO THE GENERAL MANAGER

Via Electronic & U.S. Mail

May 9, 2008

Mr. Philip Isenberg, Chairman  
Delta Vision Blue Ribbon Task Force  
650 Capitol Mall, 5<sup>th</sup> Floor  
Sacramento, CA 95814

EBMUD Input for the Delta Vision Strategic Plan

Dear Chairman Isenberg and Task Force Members:

The East Bay Municipal Utility District (EBMUD) appreciates the opportunity to provide input as the first draft of the Delta Vision Strategic Plan is prepared. EBMUD serves water to 1.3 million people in Alameda and Contra Costa counties, and relies on the Mokelumne Aqueducts that cross the Delta for 90% of its water supply. EBMUD previously submitted a comment letter on November 14, 2007 on the Delta Vision Report, and this letter provides input for the Delta Vision Strategic Plan under development.

One of the key issues the Strategic Plan must address is how to implement near-term actions in a manner that is conducive to achieving the long-term vision. Early success in an interim strategy is essential to better prepare for and respond to an emergency or catastrophic events while still building momentum for long-term actions that could take decades to implement. Near-term projects that provide significant benefits for a broad array of stakeholders, without foreclosing any long-term option, should be at the top of the list. Improvement of south Delta levees are in this category as the beneficiaries include: State Highway 4, Delta water users, boating, recreation and shipping channels, ecosystem habitat within the channels, agricultural lands, a critical railway link from the Bay Area to San Joaquin Valley, and a host of utility infrastructure including EBMUD's Mokelumne Aqueducts. EBMUD has been a leading local financial contributor toward Delta levee improvements, and now is the time to use state bond funds to expand the level of improvements to address escalating risks for many interests.

Additional comments contained in the attachment include more detail on near-term actions and cover items submitted to the Task Force by Stakeholder Workgroups, including creation of new assessment districts, assessment of upstream diversions, and recommendations on fishery analysis and mitigation. If you have any questions or concerns regarding these comments, please contact me at (916) 443-6948.

Sincerely,

A large, stylized handwritten signature in blue ink that reads 'Randelee Kanouse'. The signature is written over the printed name and extends downwards.

Randelee Kanouse

RK:DW  
Attachment

P.O. BOX 24055 . OAKLAND . CA 94621 . (510) 287-0110 . FAX (510) 287-0778  
1127 . 11TH STREET . SUITE 414 . SACRAMENTO . CA 95814 . (916) 443-6948 . FAX (916) 444-2829  
BOARD OF DIRECTORS JOHN A. COLEMAN . KATY FOULKES . ANDY KATZ  
DOUG LINNEY . LESA R. MCINTOSH . FRANK MELLON . WILLIAM B. PATTERSON

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cc: Ms. Monica Florian  
Mr. Richard Frank  
Mr. Thomas McKernan  
Ms. Sunne Wright McPeak  
Mr. William Reilly  
Raymond Seed, Ph.D.  
Mr. John Kirlin, Executive Director

## DETAILED EBMUD COMMENTS FOR DRAFT DELTA VISION STRATEGIC PLAN

### I. Finance, Levee Standards, Prioritization for Delta Levee Investments and Emergency Preparedness

#### Finance

As the owner of the Mokelumne Aqueducts that cross five Delta islands, EBMUD pays a normal assessment to reclamation districts for maintenance on these islands and the 51 miles of levees protecting them. The assessment for this year is approximately \$400,000. Since 1989, EBMUD has also committed supplemental funding for levee improvements, currently at \$1.1 million per year. This support enables local reclamation districts to make improvements and apply for state subvention funding to expand the extent of work. Even with state support, however, EBMUD's financial contributions have constituted the bulk of the funding for levee maintenance and improvements. EBMUD is the only entity in the Delta that makes such payments for levee improvements, and we anticipate continuing this financial support.

Any discussions about project funding should start with what is happening on the ground now and the situation may not be the same in each area of the Delta. The input of local agencies and stakeholders in each area should be a critical step in formulating any recommendations on finance as well as what types of improvements to make or not make on specific islands. **EBMUD has recommended expenditure of \$100 million of bond funds to improve levees as an interim strategy on the five islands listed below with \$20 million in matching by EBMUD:**

- Palm-Orwood Tract
- Lower Jones Tract
- Upper Jones Tract
- Woodward Island
- Lower Roberts Island

EBMUD expects to continue using ratepayer funds to strengthen Delta levees necessary to secure the Mokelumne Aqueducts, but we also strongly support use of statewide bond funds and any other available sources to protect many other infrastructure assets including:

- State Highway 4
- Boating, recreation and shipping channels
- Ecosystem habitat within water channels
- Conveyance channels for San Joaquin River flood flows
- Agricultural lands
- BNSF Railway line

- Transmission Agency of Northern California power lines
- Kinder Morgan pipeline
- PG&E pipelines
- State and federal export pumps contractors
- Contra Costa Water District intakes

### Levee Standards

Many viewpoints have been expressed as to which levee standards should be applied in the Delta, referring variously to project levees, non-project levees, urban levees, seismic resistant levees, agricultural levees, Public Law 84-99, 100-year flood protection, 200-year flood protection, “armored corridor,” etc. A common nomenclature or vocabulary would be helpful as a first step to enable a policy discussion of flood control in the various areas in the Delta.

The standards that are ultimately chosen should be realistic in terms of actually implementing the long term vision. For example, urban levees (meeting a higher flood and seismicity standard) are very costly and should only be implemented where the long-term uses and assets behind those levees justify a greater investment. Increased levels of maintenance, and possibly upgrades, may be required to address issues discussed in the Delta Vision Report (sea level rise, continuing subsidence, changing hydrology, etc.) over the next 100 years. The high expense for urban levees would not be justified unless there is also a long-term mechanism to maintain the levees over their expected life.

The standard that EBMUD recommends for agricultural islands or tracts protecting the Mokelumne Aqueducts and the other assets listed is P.L. 84-99, the standard used for the Delta Levees Subvention Program. This standard would enhance the stability of islands and improve the prospects for recovering the islands if a flood occurs in the near-term, while avoiding major capital and maintenance costs for urban-type levees. This approach does not foreclose any long-term option for major changes in the Delta.

Anticipating the decreasing viability of the levee system in future decades, EBMUD has completed a preliminary study of long-term alternatives to the Mokelumne Aqueducts. While no decision has been made on such future investments, a tunneling option has a lower cost for risk reduction than urban-type levees that would be prohibitively expensive. If additional studies by others result in findings that can dramatically lower costs due to multi-party cost sharing, EBMUD will consider those results. **As an interim measure, EBMUD will rely on the current levee system as the primary means of protecting its aqueducts.**

To achieve levee improvements expeditiously, advance funding commitments should be considered as well as better coordination of mitigation projects. This would facilitate implementation of multiple projects that have similar mitigation needs and are subject to the same resource agency approval processes. Relying on existing island-by-island approval mechanisms and processes is a cumbersome response to the consequences that

would result from a catastrophic failure; a more expedited system will better enable the state and stakeholders to prepare for and respond to the risks identified by the Delta Risk Management Strategy. For example, due to strained finances many reclamation districts must carefully consider whether to participate in the Subventions Program because the program pays in arrears, and because there is some risk involved in initiating projects. Further, the reimbursement process effectively controls when the next project may be undertaken. Cooperative work agreements with an agency capable of carrying out the work in a timely manner should be used where feasible to accomplish as much as possible quickly. Finally, coordination of environmental mitigation efforts among projects that need the same type of mitigation, such as waterside vegetation, should be facilitated.

#### Delta Risk Management Strategy (DRMS) - Prioritization of Levee Investments

Upon appropriation by the Legislature, the Department of Water Resources (DWR) will be investing a significant amount of Proposition 1E bond funding in the Delta to improve flood protection. As part of the ongoing DRMS work, each island in the Delta is being evaluated with respect to the valuation of assets, importance to export water quality, cost for levee improvement to P.L. 84-99 or seismically resistant status, and recommendations on which islands to improve. This work, which is being carried out largely by consultants out of public view, appears to be the only systematic examination of the Delta levee system. The results of that effort may identify the "right" levees to improve. While EBMUD has no information to suggest otherwise, at a minimum those results should be available for public review to allow for input on missing information, suggested improvements, or concurrence on the results prior to final decisions about investing Prop 1E funding in the Delta.

#### Emergency Preparedness

DWR emergency preparedness projects, including stockpiling rock and improving load-out facilities at Stockton, are underway this year and another \$50 million of work is planned by DWR for FY 08-09. This work will largely benefit the State Water Contractors and federal Central Valley Contractors in the event of a major Delta disaster affecting multiple islands.

EBMUD has invested over \$240 million in a systemwide seismic retrofit program, a major component of which was \$40 million in improvements to the largest of the three aqueduct pipelines to withstand a major quake. **Now, \$30 million in state funding is needed for emergency and disaster preparedness actions and projects, including interconnecting the three Mokelumne Aqueducts at both ends of the Delta crossing to facilitate emergency response.** The new interconnections are critical emergency preparedness actions that are consistent with other emergency response measures being planned to mitigate levee failure impacts and address levee failures. Given the state commitment to emergency preparedness measures to help recover State Water Project operations after a major Delta levee failure, it is reasonable that water users in the East Bay should receive similar benefits from state bond funds.

## **II. EBMUD Comments on the Delta as Place Workgroup Recommendations**

EBMUD has two specific comments related to sub-points to offer for consideration as the Strategic Plan is developed.

**Recommended Strategy #3 (majority opinion), Paragraph 5: “To finance levee upgrades, assessment districts should be created for levees that provide urban protection, infrastructure protection, salinity control, or water conveyance services, wherein all of the beneficiaries share in the costs of levee improvements. Over time, the State Levee Maintenance (Subventions) Program should be directed towards those levees that do not provide these additional services (e.g. non-urban, agricultural, and wildlife levees).”**

As noted earlier, EBMUD is already a major contributor to levee improvements through cooperative arrangements with existing reclamation districts. EBMUD would have concerns about new entities with assessment authority on several counts. For example, who would be vested with approval authority to increase assessments? Would the state be able to redirect the funding to a different purpose during a fiscal emergency? What process would be used to set different assessment rates for different beneficiaries? Building on existing successful relationships, as needed, should be the preferred alternative to consider instead of new assessments and mechanisms.

**Recommended Strategy #8, Paragraph 4: “The State of California should conduct a comparative analysis of the long-term costs and benefits of:**

- a) reinforcement of levees protecting highways against seismic and other levee failure threats;**
- b) co-location of highways with adjacent infrastructure systems into fortified corridors;**
- c) relocation of highways to areas above sea level.**

**In addition, the state should require a consortium of public utilities and other infrastructure service providers to conduct the same analysis for their systems (including the additional possibility of burying lines.”**

EBMUD has conducted a preliminary analysis of these options and found alternatives, such as tunneling, that do not require construction of large new levees in the Delta and can protect EBMUD’s water supply system at significantly less cost than “super-levees” or “fortified corridors”. If additional studies by others result in findings that can dramatically lower costs due to multi-party cost sharing, EBMUD will consider those results.

### **III. EBMUD Comments on Work Products of the Water Supply Reliability Workgroup**

#### **Strategy B.2.1: “Protect the Delta by establishing minimum inflow and outflow requirements and limiting diversions during times when harmful to fisheries.”**

The discussion indicates that Delta inflow and outflow requirements may impact upstream diversions, and further states that, “As the scope of the Delta Vision is broad, it should consider the effects that all upstream diversions [have], not simply those of the state and federal projects.”

If the issue of upstream diversions is engaged, EBMUD asks that the state carefully consider and recognize areas/tributaries that have already developed approaches to river and ecosystem management that balance protection of public trust resources and demands for water. For example, in the 1990s, EBMUD spent several years working in partnership with the California Department of Fish and Game and the U.S. Fish and Wildlife Service to develop a comprehensive ecosystem program for the Mokelumne River. The partnership was memorialized in a Joint Settlement Agreement (JSA) in 1998, which contained flow and non-flow measures to protect and enhance the Mokelumne River ecosystem. The JSA also provided additional flows to the Delta, a fact the State Board recognized in approving the JSA in D-1641.

The JSA represents a finely balanced agreement, balancing public trust interests with water demands. In the last ten years, it has established an outstanding record, with implementation of numerous habitat enhancement projects benefiting the fishery and a pronounced increase in the long-term average salmon returns on the river. If there is a new movement to consider upstream diversions and the Mokelumne River is reassessed yet again, such a process would threaten to upset the balanced resolution of issues reached on the Mokelumne and undo years of effort. We do not believe doing so is reasonable or a wise use of limited public resources. We therefore ask that any evaluations of upstream diversions and flow rates should fully consider those tributaries that have already reached a reasonable balancing of public trust issues, as distinguished from those tributaries that have not.

#### **Strategy C.2.1: “In the near-term, experimentally implement a Middle River conveyance as recommended by the Stakeholder Coordination Group.”**

EBMUD and other stewardship-oriented partners, including the U.S. Fish and Wildlife Service, California Department of Fish and Game, the Lower Mokelumne Watershed Stewardship Steering Committee, local governments, and many private landowners have made and continue to make significant investments in the protection and enhancement of the lower Mokelumne River fishery and ecosystem. The majority of these stewardship activities are large investments of budgeted agency funds as well as federal and state grants.

The contribution of the lower Mokelumne River fishery to the overall fishery of the Central Valley is significant, and in large part the result of improved fisheries habitat, watershed stewardship vision, and partnerships among the full-range of stakeholders. Because of these long-term investments, EBMUD and all of the partners on the lower Mokelumne River have significant interest and concern about the ongoing work to address the myriad of issues surrounding the Delta. The anadromous fishery in the Cosumnes River, which is another key salmon restoration location, could be affected similarly to the Mokelumne River and also deserves consideration.

A Middle River conveyance must consider potential project impacts on federally-recognized and state-recognized species, including Mokelumne and Cosumnes River origin salmonids (fall-run Chinook salmon and California Central Valley steelhead) based upon the geographic connection between the Mokelumne River and the Delta.

An evaluation of project alternatives should assess the potential direct, indirect, and cumulative impacts on Mokelumne and Cosumnes origin salmonids for each project alternative, including detailed evaluations of potential conveyance routes, hydraulic barriers, inundated floodplains/islands, Delta Cross Channel (DCC) operations, and timing of water exports.

Mitigation, conservation, and adaptive management measures that should be considered include the provision of Delta rearing habitat for Mokelumne and Cosumnes origin salmonids, routing Mokelumne origin salmonids away from the potential in-Delta conveyance corridors leading to the water export pumps, and reducing exports during critical outmigration periods.