



Water Facilities Including a Peripheral Canal— Referendum Statute

Official Title and Summary Prepared by the Attorney General

WATER FACILITIES INCLUDING A PERIPHERAL CANAL. REFERENDUM STATUTE. A "yes" vote approves, a "no" vote rejects, a law that will: Designate additional facilities and programs, including a peripheral canal as units of Central Valley Project. Specify requirements regarding feasibility, environmental impacts, design, construction, operation, financing, and protection and enhancement of fish and wildlife for project units. Require Water Resources Department to contract with named delta agencies regarding users' rights, water quality, and benefit payments; and to immediately proceed with specified prerequisites to construction of peripheral canal. Require compliance with designated water quality standards and conditions. Specify other responsibilities and matters. Summary of Legislative Analyst's estimate of net state and local government fiscal impact: As Project has been planned and operated to be self-supporting, implementation under present policies would not require increase in state taxes or reduce funds for other state programs. Potential construction costs at 1981 prices are in excess of \$3.1 billion plus unknown additional costs, plus interest, to be financed by increased user charges.

FINAL VOTE CAST BY THE LEGISLATURE ON SB 200 (PROPOSITION 9)

Assembly—Ayes, 50
Noes, 28

Senate—Ayes, 24
Noes, 12

Analysis by the Legislative Analyst

Background:

The State Water Project. In 1960, the California voters approved the Burns-Porter Act, which authorized (1) the construction of the State Water Project and (2) the issuance of \$1.75 billion of general obligation bonds to assist in financing the project. The State Water Project was designed to provide additional water primarily in the San Joaquin Valley and southern California.

The Department of Water Resources has now completed the main features of the State Water Project consisting of (1) a dam and reservoir at Oroville which stores water in the winter for release into the Sacramento River and the Sacramento-San Joaquin River Delta in the summer and (2) a large pumping plant at the southwestern edge of the delta to pump water from the delta into an aqueduct system for delivery primarily to the San Joaquin Valley and southern California.

The Burns-Porter Act also provided construction and funding authority for additional *unspecified* facilities as well as a facility to transfer water across the Sacramento-San Joaquin Delta. The Peripheral Canal would be such a transfer facility.

The Peripheral Canal. Construction of the Peripheral Canal has been proposed since 1965 to improve water quality in the delta, to provide fishery protection and to provide additional water to central and southern California. The canal would move Sacramento River water around the eastern and southern edge of the delta, rather than allow it to move through the natural channels of the delta.

The Peripheral Canal would permit human decisions to partially modify the flows in the delta. As a consequence, issues have arisen concerning (1) the amount of water that would be released from the Peripheral Canal to maintain fisheries and water quality in the delta, (2) the protection that would be provided to

holders of water rights in the delta, and (3) the amount of water that would flow from the delta to flush San Francisco Bay.

During the 1979-80 Regular Session the Legislature enacted Senate Bill No. 200 and Assembly Constitutional Amendment No. 90, which pertain to the State Water Project generally and the Peripheral Canal and delta specifically.

SB 200 (Chapter 632). Senate Bill 200 specifically directs the Department of Water Resources to construct the Peripheral Canal and authorizes the construction of several other major facilities as additions to the State Water Project. These facilities and their costs are shown in Table 1.

Table 1
Potential Cost of SB 200 Features
(in millions of 1981 dollars)

Features	Potential state cost (1981 prices)
1. Peripheral Canal (located in Sacramento, San Joaquin, and Contra Costa Counties)	\$680
2. Relocation of Contra Costa Canal intake and construction of Suisun Marsh facilities, South Delta water quality improvement facilities, and Western Delta overland water facilities (located in the delta and adjacent areas).....	139
3. Los Vaqueros Reservoir (Contra Costa County)	872
4. Glenn Reservoir (Thomes-Newville) Diversion Unit, Phase I (Glenn County) ...	493
5. Groundwater storage facilities	
(a) South San Francisco Bay area.....	Unknown
(b) San Joaquin Valley and southern California	112

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Text of Proposed Law

This law proposed by Senate Bill 200 (Statutes of 1980, Chapter 632) is submitted to the people as a referendum in accordance with the provisions of Section 9 of Article II of the Constitution.

This proposed law expressly amends an existing section of, and adds sections to, the Water Code; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

SECTION 1. Section 11108 is added to the Water Code, to read:
11108. "Delta" means the Sacramento-San Joaquin Delta as described in Section 12220.

SEC. 2. Section 11109 is added to the Water Code, to read:
11109. "Suisun Marsh" means the area defined in Section 29101 of the Public Resources Code.

SEC. 3. Section 11110 is added to the Water Code, to read:
11110. "Historical level" means the average annual abundance from 1922 through 1967 of the adult populations of fish and wildlife estimated to have lived in or been dependent on any area, as determined by the Department of Fish and Game.

SEC. 4. Article 9.4 (commencing with Section 11255) is added to Chapter 2 of Part 3 of Division 6 of the Water Code, to read:

Article 9.4. Additional Facilities and Programs

11255. The project includes the units authorized in this section, subject to the conditions specified in Sections 11256 and 11257, and in compliance with the California Environmental Quality Act (commencing with Section 21000 of the Public Resources Code) and which may be constructed, operated, and financed as joint-use facilities with the United States:

(a) A peripheral canal unit, around the eastern and southern rim of the delta. This unit shall be designed, constructed, and operated to meet the provisions of this part in the most effective manner, and shall consist of canals, pumping plants, intake and outlet structures, siphons and fish screens. The department shall design and construct the unit so as to optimize its usefulness for the protection of the resources of the delta and the augmentation of water supplies. The department may provide for joint use or delivery of water from the unit with local agencies or with the United States upon the execution of agreements with local agencies or with the United States concerning operation, financing, and sharing of benefits of the unit. This unit shall be constructed in three stages, with the work on the first and second stages proceeding concurrently. Stage one shall consist of construction of the facility from the town of Hood to Shima Tract on the northwest outskirts of Stockton. Stage two shall consist of preconsolidation on the San Joaquin River to Clifton Court Forebay of the California Aqueduct. Stage three shall consist of the completion of the facilities from Shima Tract to Clifton Court Forebay. When stage one is completed, it shall be operated for a period of two years to establish adequate fish screen and operational criteria. Thereafter, stage three shall be constructed when the Director of Water Resources and the Director of Fish and Game both determine from the results of the trial period that the fish screen and operational criteria will adequately protect fish populations. The state water facilities referred to in paragraph (3) of subdivision (d) of Section 12934 are defined to include this unit.

(b) Relocation of the intake to the Contra Costa Canal to divert water from the state water facilities, subject to the terms of a contract between the department and beneficiaries.

(c) The Los Vaqueros unit, to be located in eastern Contra Costa County about eight miles west of the Clifton Court Forebay. Other offstream storage reservoirs may be located south or west of the delta, as determined by the Director of Water Resources, to be served by existing project facilities.

(d) South delta water quality improvement facilities, consisting of pumping plants, discharge canals, flow control structures, and channelization of sloughs to provide improved circulation, distribution, and quality of water in the southeastern delta and to meet the needs of the south delta area, to be completed no later than the facility described in subdivision (a) of this section. Such facilities may include a turnout from the California Aqueduct to the Westley Wasteway of the federal Delta-Mendota Canal or other facilities to deliver water to the San Joaquin River or in lieu thereof the director may agree with the Bureau of Reclamation to exchange equivalent water between the Delta-Mendota Canal and the California Aqueduct. The portion

of the facilities not integrally connected with the facility described in subdivision (a) of this section, or its operation, shall be constructed only if a contract between an appropriate agency representing the beneficiaries and the department is executed.

(e) As mitigation for the past, present, and future adverse impacts of reduced delta outflows on the wildlife resources of the Suisun Marsh, the department shall construct, maintain, and operate or contract with the Suisun Resources Conservation District for the construction, maintenance, or operation of the Suisun Marsh overall protection facilities in accordance with a plan to be developed by the department in cooperation with the Suisun Resources Conservation District and the Department of Fish and Game. The facilities shall be completed no later than stage one of the facilities described in subdivision (a) of this section.

(f) Facilities for utilizing ground water storage space determined by the director to be feasible for the purpose of providing yield for the State Water Resources Development System based upon estimates by the department that ground water storage can yield 400,000 acre-feet annually, in conjunction with existing and future surface water supplies, by the recharge and extraction of ground water and including the capitalized cost of delivering water for filling or refilling ground water storage space, in one or more of the following locations within the service area of the State Water Resources Development System:

(1) The south San Francisco Bay area in the Counties of Santa Clara and Alameda, served by the South Bay Aqueduct.

(2) San Joaquin Valley, served by the California Aqueduct.

(3) Southern California, served by the California Aqueduct, including enlargement of the Devil Canyon Power Plant and the Mojave Division (East Branch) from the proposed Cottonwood Power Plant to Silverwood Lake.

None of the facilities described in this subdivision shall be constructed or operated within the boundaries of an agency that has contracted for water from the State Water Resources Development System without a contract with such agency.

(g) Glenn Reservoir-River Diversion Unit on the west side of the Sacramento Valley in the vicinity of Stony Creek and Thomas Creek watersheds. This unit may be constructed in stages.

(h) If the Glenn Reservoir-River Diversion Unit authorized in subdivision (g) is not feasible, as determined by the Director of Water Resources, the Colusa Reservoir-River Diversion Unit on the west side of the Sacramento Valley in the western portion of the Counties of Glenn and Colusa. This unit may be constructed in stages. The Sites Reservoir portion of the unit may be developed at any time hereafter by the federal government as a facility of the federal Central Valley Project to serve the Tehama-Colusa Canal and any extension thereof into Yolo and Solano Counties.

(i) Waste water reclamation programs to provide yield for the State Water Resources Development System, provided such facilities are economically competitive with alternative new water supply sources. None of the facilities described in this subdivision shall be constructed or operated within the boundaries of any agency that has contracted for water from the State Water Resources Development System without a contract with such agency.

(j) Water conservation programs within the boundaries of agencies that have contracted for water from the State Water Resources Development System, provided, that the implementation of such programs is contingent upon contracts between such agencies and the Department of Water Resources. Based on estimates of the department, waste water reclamation and water conservation in urban areas served by the State Water Resources Development System are projected to total 700,000 acre-feet annually by year 2000.

(k) The Mid-Valley Canal Unit, which shall be constructed primarily for the purpose of alleviating the ground water overdraft and providing water supplies for the state and federal water fowl management areas in the canal service area; provided, that the water delivered through its facilities shall be water developed by facilities other than those of the project, and provided further, that such water shall be transported through the facilities described in subdivision (a) of this section and, provided further, that the full cost of the unit incurred by the state and allocated to agricultural, municipal, and industrial contractors shall be repaid by them.

The Secretary of the Resources Agency is authorized to indicate in

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Argument in Favor of Proposition 9

Proposition 9 will help to assure adequate water supplies for all Californians and avoid water shortages which can force water rationing and cripple our state's economy.

Proposition 9—a comprehensive water management and conservation measure—will authorize construction of the last vital link of the California Aqueduct and related facilities designed to complete the State Water Project. It will also help protect water quality, our fish and wildlife, and the productive farmlands which feed our families. Proposition 9 will require *no new or increased state taxes*.

Proposition 9 will:

- Protect California's economic health and ensure millions of jobs which depend on a stable water supply.
- Save billions of gallons of water now lost during seasons of heavy rains and conserve it for use during drought years.
- Provide facilities to safely transport this water for use in the San Francisco Bay area and central and southern California.
- Guarantee that the water needs of northern California and the environmentally sensitive Sacramento-San Joaquin Delta are served *first*; that only water which is *surplus* because of heavy runoff may be transported south.
- Provide protection against drought and help replace the Colorado River water California will lose to Arizona because of a Supreme Court decision cutting southern California's supplies from the Colorado River Aqueduct by 55 percent in this decade.
- Assure adequate irrigation water for California agriculture.
- Provide needed facilities to solve water quality problems and increase water supplies for Contra Costa, Alameda, Santa Clara and other northern counties.
- Guarantee water quality protection in the Sacramento-San Joaquin Delta and San Francisco Bay.
- Protect and enhance fish and wildlife in the delta region.
- Provide constitutional safeguards to protect wild and scenic rivers in northern California.

- Provide a reasonable framework for developing facilities to store surplus water for use during drought years.
- Encourage vigorous water conservation and reclamation efforts.

Only those who actually receive and use water from these facilities will pay for their development. There will be no new state taxes.

Proposition 9 is the result of more than 20 years of study and planning under Governors Pat Brown, Ronald Reagan, and Jerry Brown. It is essential to California's overall water delivery system, a comprehensive network of aqueducts, reservoirs and dams that brings drinkable water from hundreds of miles away to San Francisco and the East Bay as well as southern California and the San Joaquin Valley. The State Water Project provides water for 14 million people from San Diego to the Napa Valley.

Proposition 9 is essential to the completion of an economical and environmentally sound system to provide adequate water supplies for California's future. Without this vital measure, we will be forced to live with chronic water shortages and the threat of rationing throughout California.

A YES vote on Proposition 9 is a vote for a reasonable, balanced program of water resource development and conservation; a program to keep California's economy healthy, its fish and wildlife plentiful, its environment beautiful, and its citizens safe from drought.

Please vote YES on Proposition 9.

LOREN L. LUTZ, D.D.S.
*Chairman of the Board
California Wildlife Federation*

GORDON W. MILLER
*Chairman of the Board
California Water Resources Association;
Chief Engineer, Retired
Sonoma County Water Agency*

RUBEN S. AYALA
*State Senator, 32nd District
Chairman, Agriculture and Water Resources Committee*

Rebuttal to Argument in Favor of Proposition 9

Supporters of Proposition 9 would have you believe this measure is without fault—that it ensures the safety of our environment while providing abundant water supplies at little or no cost to the taxpayer.

If that is the case, then why do the state's leading *taxpayer groups, agricultural associations and environmental organizations* OPPOSE PROPOSITION 9?

It's simply no great secret that the only ones to benefit from this TAXPAYER-SUPPORTED BOONDOGGLE are the major oil companies and the big southern California land developers.

While THEY BENEFIT, the *taxpayer bears the burden*. More convincing reasons to VOTE NO on PROPOSITION 9 are found in FACTS the *supporters don't tell you*.

FACT—A cost/benefit study of the project has *never* been performed by any public agency.

FACT—The project will NEVER PAY FOR ITSELF.

FACT—No state agency can provide complete and accurate cost figures on the project.

FACT—Proposition 9 may cause PROPERTY TAXES to

be RAISED *beyond* the levels established by PROPOSITION 13.

FACT—The highly respected Legislative Analyst's office has recently amended its estimates and now says the cost will be in excess of 5.4 billion dollars plus *OTHER UNKNOWN COSTS*.

Obviously, this issue is TOO COMPLEX, TOO GREAT a threat to our farmland and our environment, and TOO COSTLY to approve without exploring alternatives.

We believe Californians want to know *how much* it's going to cost *before they vote*. That's why we urge you to VOTE NO on PROPOSITION 9.

LORELL LONG

JOHN THURMAN
*Member of the Assembly, 27th District
Chairman, Assembly Agriculture Committee*

DAVID MILLER
Chairman, Californians for Responsible Government

Argument Against Proposition 9

There are several thoughtful and important reasons that so many different individuals and organizations have united to urge you to VOTE NO on PROPOSITION 9.

Farmers, environmentalists and taxpayer groups all agree—Proposition 9 IS TOO COSTLY and represents political compromise at its worst.

Taxpayer groups know it will cost us billions of dollars to construct facilities whose performance could be achieved by other means for *far less money*.

Agriculture knows it will cost valuable land that is being used to provide food and fiber at reasonable prices. This measure guarantees *no more needed water*.

Environmentalists know it will cost us the protection of our fish, wildlife and the fragile ecology of the delta. It also means continued unwarranted benefits for the big oil companies and wealthy land developers who often masquerade as farmers. Please consider these FACTS before you vote.

VERY SIMPLY, Proposition 9:

- WILL cost at *least* 3.68 BILLION DOLLARS and *as much as* 19.2 BILLION DOLLARS according to the proponents' own cost figures.
- WILL seriously damage the environment in the San Francisco Bay and delta areas.
- WILL result in the *loss* of water quality and quantity to small farmers and ranchers throughout the state.
- WILL allow continued subsidy of water supplies for big oil companies and wealthy land developers at the *expense of southern California taxpayers* who will not receive the benefit.
- WILL remove your right to help decide a fair water policy by assigning total control and legal authority for water projects to appointed bureaucrats in Sacramento.

VERY SIMPLY, Proposition 9:

- WILL NOT guarantee that no new taxes will be assessed against your property.

- WILL NOT encourage conservation of our precious water resources.
- WILL NOT provide any additional protection against drought.
- WILL NOT assure adequate irrigation water for California agriculture.
- WILL NOT help Californians establish a fair water policy.

Proposition 9 represents the *most expensive* and extravagant alternative yet proposed to meet our state's water needs. Those of us working together to DEFEAT PROPOSITION 9 don't always agree on water issues. But we all know and agree on one particular issue—PROPOSITION 9, with a price tag ranging from 3.6 to 20 billion dollars—is *TOO EXPENSIVE, TOO COSTLY* and threatens all water users and taxpayers with an *unbelievable economic burden* through the year 2000.

Finally, ask yourself in these times of financial crisis in our state government, "Even if I wanted to pay the increased taxes this *will cost*, am I getting my money's worth?"

The *special interests who benefit most* hope you won't realize the excessive cost, extreme environmental damage, and serious water policy issues at stake. And one of their *leading* spokesmen summed up their attitude best when he stated in the *Los Angeles Times*, "We'll get that water by hook or by crook." We should not be bullied by the special interests.

We think Californians want to develop a *fair* water policy—that's why we urge a NO vote on PROPOSITION 9.

JOHN THURMAN

*Member of the Assembly, 27th District
Chairman, Assembly Agriculture Committee*

DAVID MILLER

Chairman, Californians for Responsible Government

WILLIAM E. SIRI

Past President, Sierra Club, California Chapter

Rebuttal to Argument Against Proposition 9

Proposition 9 means the lowest possible water costs for California consumers and requires not one penny in new or increased state taxes.

More importantly, Proposition 9 will prevent billions of dollars in economic loss from water shortages which now threaten our farms, factories and families. Major water districts project shortages of 20-40 percent in the next drought without Proposition 9—that means higher food prices and more unemployment.

Don't be taken in by phony numbers thrown around by selfish interests who want to shut down the State Water Project. State Department of Water Resources figures show that Proposition 9 will actually reduce future state project water costs.

The State Water Project, under development since 1958, is the most efficient water conservation and transportation system in the world. It must be completed. Delays will only lead to higher cost and continued waste of valuable water now flooding out to sea.

The cost of the Peripheral Canal will average less than \$10 a year to southern California families—a small price to guar-

antee adequate water supplies. Those who don't use water from the project won't pay anything.

Responsible civic, agricultural, environmental, business and labor leaders, and water experts throughout California support Proposition 9. Opposition is led by misguided extremists and a handful of land interests willing to sacrifice the best interests of 23,000,000 Californians to maximize their own profits.

Proposition 9 is the only way to assure adequate water supplies for all Californians. Vote YES on Proposition 9.

LOREN L. LUTZ, D.D.S.

*Chairman of the Board
California Wildlife Federation*

GORDON W. MILLER

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(c) Enlarge East Branch of the California Aqueduct.....	161
6. Wastewater reclamation and water conservation programs	Unknown
7. Mid-Valley Canal Unit (San Joaquin Valley).....	633
8. Water transportation facilities from the delta to San Joaquin, San Francisco, and San Mateo Counties.....	Unknown
9. Supplemental water supply facilities from the Federal Central Valley Project to Alameda and Contra Costa Counties..	Unknown
	\$3,090 plus unknown additional costs

Because the planning and construction of the facilities in SB 200 will occur over the next 20 years, the ultimate cost of these facilities will be substantially higher than the amounts shown in Table 1, due to inflation.

The Department of Water Resources proposes to finance the construction of the facilities with funds from the following sources:

1. Unused authority to issue general obligation bonds amounting to \$167 million. This authority was provided by the Burns-Porter Act. (These general obligation bonds are backed by the state's pledge to use its taxing power to pay the principal and interest on the bonds. Project revenues have been adequate to pay these costs to date and are expected to be adequate in the future.)

2. Tidelands oil revenues in the amount of \$30 million each year which existing law earmarks for the State Water Project.

3. Proceeds from the sale of additional revenue bonds which will be repaid from future water and power sales. (Revenue bonds are not backed by the state's taxing power; instead, they are backed by the project revenues dedicated to the payment of principal and interest on the bonds.)

4. Any State Water Project revenues which will not be needed to repay existing State Water Project bonds or for operating and maintenance expenses.

The ability of the state to finance the construction of the facilities in Table 1 will depend on the availability of surplus State Water Project revenues, and the ability of the state to sell the water or power revenue bonds.

The department's planning has always assumed that the federal government would help finance the construction of certain facilities, such as the Peripheral Canal and the Glenn Reservoir, because these facilities would meet both federal and state water needs. Since SB 200 does not make the construction of these facilities contingent on federal participation, the full costs of the facilities authorized in the bill would be a state responsibility unless the federal government decides to participate.

SB 200 contains additional provisions relating to (a) the maintenance of water quality and fisheries within the Sacramento-San Joaquin Delta and San Francisco Bay, and (b) the operation of delta facilities in coopera-

tion with delta water agencies and/or the federal government.

SB 200 also makes construction of several facilities contingent on certain conditions:

- Construction of the Peripheral Canal and the Mid-Valley Canal cannot begin until the Department of Water Resources and the Department of Fish and Game enter into a permanent agreement for the protection of the fish and wildlife in the Sacramento-San Joaquin Delta, the Suisun Marsh, and the San Francisco Bay.
- Authorizations for Los Vaqueros, groundwater storage, Glenn Reservoir Diversion, and Mid-Valley Canal units are conditioned on the completion of favorable engineering, environmental, economic, and financial feasibility studies.

Assembly Constitutional Amendment 90. Assembly Constitutional Amendment 90 (ACA 90) was approved by the voters as Proposition 8 on the November 1980 ballot and will become effective if and when SB 200 takes effect. This amendment (1) restricts the authority of the Legislature to modify certain provisions of SB 200 and other portions of existing law pertaining to fish and wildlife resources, water quality, and water rights in the Sacramento-San Joaquin Delta and San Francisco Bay and (2) restricts the additional export of water from basins subject to the California Wild and Scenic Rivers Act. The measure also requires that legal actions affecting the provisions of law enacted by SB 200 be heard in Sacramento County Superior Court, that the legal actions generally be brought within one year and that the state reimburse the county for its actual court costs.

Proposal:

This referendum measure asks the voters to approve or reject SB 200. Rejection would eliminate the *explicit* authorization for the facilities and programs listed in Table 1 as well as the environmental provisions added to the Burns-Porter Act by SB 200. If SB 200 is approved, both SB 200 and ACA 90 will become fully effective immediately. If SB 200 is rejected, neither will be effective.

Fiscal Effect:

SB 200. The State Water Project has been planned and operated to be self-supporting. Users of water and power supplied by the project are required under their present contracts to repay water and power costs through user charges. Therefore, implementation of SB 200 under present policies would not require an increase in state taxes, or reduce the amount of funds available for other state programs. Conversely, rejection of SB 200 by the voters would not affect the level of state taxes or increase the amount of funds available for other state programs.

If SB 200 is approved by the voters and all of the projects listed in Table 1 are undertaken, the state construction expenditures would be increased by a minimum of \$3.1 billion plus interest over a period of several decades. The revenues from user charges would increase and thus offset the increased expenditures.

It is possible that even if SB 200 is rejected, *some* of

the projects listed in Table 1 will be constructed in the future under the legal authority contained in those provisions of the Burns-Porter Act that would not be affected by this referendum.

The ultimate fiscal effect of this measure on the State Water Project and on the local agencies that purchase

water from the project is uncertain, and would depend on future actions that cannot be predicted.

ACA 90. If SB 200 is rejected by the voters, the State General Fund would not have to reimburse Sacramento County for any superior court costs due to SB 200.

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writing the state's intent to agree to administer any federal multiple-purpose water project land and water areas of the Mid-Valley Canal Unit for recreation and fish and wildlife enhancement as provided in Public Law 89-72 if constructed by the United States.

(1) Western Delta Overland Water Facilities, to supply water to agricultural areas on Sherman Island, Jersey Island, Hotchkiss Tract, and adjacent areas.

(m) (1) Facilities to provide for the transportation of water to termini to serve the Counties of San Joaquin, San Francisco, and San Mateo.

(2) Facilities to provide for the transportation of a supplemental water supply to areas in Alameda and Contra Costa Counties not served through the Contra Costa Canal or the South Bay Aqueduct, provided that the water to be delivered shall be water developed by facilities of the federal Central Valley Project.

11256. (a) Construction of the facilities described in subdivision (a) or (k) of Section 11255 shall commence only if the department enters into a permanent agreement with the Department of Fish and Game for the protection and enhancement of fish and wildlife which shall provide for the following:

(1) The restoration and maintenance of adult populations of fish and wildlife at historical levels in the delta and the Suisun Marsh and the San Francisco Bay system westerly of the delta. Maintenance at historical levels shall consider natural fluctuations in annual water supply and populations of fish and wildlife. The agreement shall include those limitations on exports and diversions to storage which are necessary to restoring and maintaining historical levels of fish and wildlife.

To the extent practicable, fresh water needed to restore and maintain fish and wildlife in the San Francisco Bay System westerly of the delta shall be provided from unregulated flows, and

(2) The realization of the potential of the project for increasing these resources above the levels in paragraph (1) consistent with the contracts for water delivery and with other purposes of the projects.

(b) The department shall immediately proceed with activities prerequisite to the construction of the facilities provided for in subdivision (a) of Section 11255 and shall complete the design and commence construction as soon as possible.

11257. The authorizations contained in subdivisions (c), (f), (g), (h), and (k) of Section 11255 are conditional upon the completion of engineering, economic, environmental, and financial feasibility reports found favorable by the Director of Water Resources.

Each financial feasibility report shall contain:

(a) An initial allocation of project costs to project purposes.

(b) The proposed method of financing.

(c) An estimate of the method of repayment.

(d) A designation of the water and power contractors that are proposed to repay the allocated reimbursable water development costs, including interest if any, on upstream storage, conveyance, operations, maintenance, and replacement.

(e) An estimate of the impact upon retail water prices in the various service areas of the project.

11258. The environmental impact report on the peripheral canal shall include a discussion of the sources of the mineral, nutrient, and biological components of the Sacramento River and shall evaluate the possible impacts to such components resulting from the operation of the proposed peripheral canal.

If the department determines that there will be significant adverse mineral, nutrient, or biological effects caused by the operation of the peripheral canal, the department shall:

(a) Evaluate mitigation measures in the environmental impact report.

(b) Propose cost allocation principles for the mitigation.

(c) Prepare trial cost allocation.

To the extent practicable, the department shall mitigate adverse

impacts upon mineral, nutrient, or biological effects caused by the operation of the canal.

SEC. 5. Section 11456 is added to the Water Code, to read:

11456. The department shall enter into permanent and enforceable contracts, with the delta agencies specified in this section, for the purpose of recognizing the right of users to make use of the waters of the delta and establishing criteria for the minimum quality of water which shall prevail within the delta before water may be exported therefrom, such quality to be adequate to permit the preservation of present delta agricultural, domestic, and environmental uses, all as provided in Part 4.5 (commencing with Section 12200) of this division. Such contracts shall provide for reasonable payment to be made for any benefits which may be received through the water supply or quality provided in such contracts in excess of that which would have been available in absence of the operations by the State Water Resources Development System and by the federal Central Valley Project, and offset by any detriments caused thereby. If contracts have not been executed by the effective date of this section, differences between the state and such agencies shall be resolved by arbitration upon the written request of either party to the proposed contract identifying the issues upon which arbitration shall be held, which arbitration shall be conducted in accordance with Title 9 (commencing with Section 1280) of Part 3 of the Code of Civil Procedure. The agencies with which such contracts shall be entered into are the following:

(a) North Delta Water Agency.

(b) Central Delta Water Agency.

(c) South Delta Water Agency.

(d) East Contra Costa Irrigation District.

(e) Byron-Bethany Irrigation District.

(f) Contra Costa County Water Agency.

(g) Contra Costa County Water District.

(h) Suisun Resource Conservation District.

When binding determinations have been made involving two-thirds of the total acreage within the delta and Suisun Marsh located within the foregoing agencies, the department or the remaining agencies may withdraw from the arbitration proceedings. The provisions of this section shall not supersede any requirement for elections to approve such contracts, reached by negotiation or arbitration, as may be required by the act authorizing creation of the agency.

SEC. 6. Section 11457 is added to the Water Code, to read:

11457. The costs of providing any benefits received by agricultural, municipal, and industrial water users in the delta as a result of project operations, in excess of any detriments caused thereby, shall, to the extent properly allocable be repayable to the department by the beneficiaries. The costs of providing such benefits shall not be reimbursable by any State Water Resources Development System water service contractor who does not receive those benefits.

SEC. 7. Section 11458 is added to the Water Code, to read:

11458. (a) Except as provided for in subdivision (b) of this section, the department shall not transport water for the federal Central Valley Project through project facilities, including the peripheral canal, until the following events occur:

(1) The Congress of the United States enacts legislation or the Secretary of the Interior enters into a permanent contract with the department which requires operation of the federal Central Valley Project:

(A) In full coordination with the State Water Resources Development System and in compliance with water quality standards adopted pursuant to Section 13170 and as set forth as conditions in permits and licenses as provided for in Part 2 (commencing with Section 1200) of Division 2; provided, that actions of the State Water Resources Control Board in establishing water quality standards and conditions in permits and licenses shall be a combined action meeting all the applicable requirements of Part 2 (commencing with Section 1200) of Division 2.

(B) In conformity with a permanent agreement between the United States and the state for the protection and enhancement of fish and wildlife which shall provide for the following:

(i) The restoration and maintenance of adult populations of fish and wildlife at historical levels in the delta and the Suisun Marsh and the San Francisco Bay System westerly of the delta. Maintenance at historical levels shall consider natural fluctuations in annual water supply and populations of fish and wildlife. The agreement shall include those limitations on exports and diversions to storage which are necessary to assist in restoring and maintaining historical levels of fish and wildlife.

To the extent practicable, fresh water needed to restore and maintain fish and wildlife in the San Francisco Bay System westerly of the delta shall be provided from unregulated flows; and

(ii) The realization of the potential of the project for increasing these resources above the levels in paragraph (i), consistent with the contracts for water delivery and with other purposes of the projects.

(2) The federal government agrees to the transportation of water of the federal Central Valley Project through the facilities described in subdivision (a) of Section 11255.

(b) The department may transport water for the federal Central Valley Project through project facilities: (1) under contracts between the department and the United States existing on the effective date of this section, (2) and in accordance with the requirements of any decision of the State Water Resources Control Board, and (3) for the San Felipe Unit of the federal Central Valley Project in implementation of the principles of the agreement between the department and the Santa Clara Valley Water District as follows: if operation of the federal Central Valley Project to meet delta water quality standards requires proportionate reduction in deliveries of water to the San Felipe Unit, such reductions will be made.

SEC. 8. Section 11460 of the Water Code is amended to read:

11460. (a) In the construction and operation by the department of any project under the provisions of this part a watershed or area wherein water originates, or an area immediately adjacent thereto which can conveniently be supplied with water therefrom, shall not be deprived by the department directly or indirectly of the prior right to all of the water reasonably required to adequately supply the beneficial needs of the watershed, area, or any of the inhabitants or property owners therein.

(b) The project shall be operated in compliance with water quality standards set forth as conditions in permits or licenses as provided for in Part 2 (commencing with Section 1200) of Division 2 and in water quality control plans as provided for in Section 13170 or as established by contract, including rectifying failure of the United States to operate the federal Central Valley Project in accordance with such standards; provided that actions of the State Water Resources Control Board in establishing water quality standards and conditions in permits and licenses shall be a combined action meeting all the applicable requirements of Part 2 (commencing with Section 1200) of Division 2.

(c) The department, the Attorney General, and other state agencies shall take all necessary actions, including initiating or participating in judicial, administrative, and legislative proceedings, to assure

that the federal Central Valley Project is operated in compliance with standards established by the State Water Resources Control Board as specified in subparagraph (A) of paragraph (1) of subdivision (a) of Section 11458.

SEC. 9. Section 11915.2 is added to the Water Code, to read:

11915.2. The department shall make an allocation of the costs to the project which provide water for water quality, fish and wildlife, and recreation in the delta, Suisun Marsh, or San Francisco Bay, to compensate for historic upstream depletions and diversions which have reduced the amount of water naturally available in the delta, Suisun Marsh, and San Francisco Bay. Public agencies that have contracted for water supplies from the project shall not be responsible for such allocated costs.

SEC. 10. (a) The Department of Fish and Game is authorized to administer a comprehensive study to determine the interrelationship between delta outflow, including flushing flows, and fish and wildlife resources in the San Francisco Bay System westerly of the delta and waste discharges into the San Francisco Bay System. The State Water Resources Control Board shall be responsible for the portions of the study relating to waste discharges. Such study and the work plan for it shall be reviewed by a committee composed of representatives of the San Francisco Bay Conservation and Development Commission, the State Water Resources Control Board, and the Department of Water Resources. The Department of Fish and Game shall report progress on such study annually to the Legislature. Such report shall include recommendations for coordination with any other ongoing related study and for adjustment in funding and the report shall include independent statements of review from each agency on the review committee.

(b) The primary purpose of the study is to provide data to aid the State Water Resources Control Board in its consideration of the need to set standards to protect San Francisco Bay to assure that planning for future projects will not appreciably reduce unregulated delta outflows before the State Water Resources Control Board determines the need for water quality standards to protect the San Francisco Bay System westerly of the delta.

(c) The study need not be completed before the final environmental impact report on the peripheral canal authorized by subdivision (a) of Section 11255 of the Water Code is adopted.

(d) Nothing in this section shall affect the obligation of the Department of Water Resources under the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

SEC. 11. The Department of Water Resources shall study the possible interconnection between the State Water Resources Development System and water supply systems serving the Counties of Alameda, Contra Costa, San Francisco, San Joaquin, and San Mateo.

SEC. 12. The Department of Water Resources may participate in an investigation of the need to enlarge Shasta Dam and Reservoir or other existing federal reservoirs for joint use of the State Water Resources Development System and the federal Central Valley Project, if a contract therefor is executed between the Secretary of the Interior and the Department of Water Resources. The study shall be subject to the provisions of Section 11257 of the Water Code.

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4013, CT 4014, CT 4015, CT 4016, CT 4017, CT 4017.99, CT 4018, CT 4019, CT 4019.99, CT 4020, CT 4021, CT 4022, CT 4023, CT 4024, CT 4025, CT 4026, CT 4027, CT 4028, CT 4029, CT 4030, CT 4031, CT 4032, CT 4032.99, CT 4033, CT 4034, CT 4035, CT 4036, CT 4037, CT 4038, CT 4039, CT 4040, CT 4041, CT 4042, CT 4043, CT 4044, CT 4045, CT 4046, CT 4047, CT 4048, CT 4049, CT 4050, CT 4051, CT 4052, CT 4053, CT 4054, CT 4055, CT 4056, CT 4057, CT 4058, CT 4059, CT 4060, CT 4061, CT 4062, CT 4063, CT 4064, CT 4065, CT 4067, CT 4068, CT 4069, CT 4073, CT 4078, CT 4079, CT 4080, CT 4081, CT 4088, CT 4089, CT 4091, CT 4092, CT 4093, CT 4094, CT 4095, CT 4096, CT 4102, CT 4103, CT 4104, CT 4201, CT 4202, CT 4203, CT 4204, CT 4205, CT 4206, CT 4211, CT 4212, CT 4213, CT 4214, CT 4215, CT 4216, CT 4217, CT 4218, CT 4219, CT 4220, CT 4221, CT 4222, CT 4223, CT 4224, CT 4225, CT 4226, CT 4227, CT 4228, CT 4229, CT 4230, CT 4231, CT 4232, CT 4233, CT 4234, CT 4235, CT 4236, CT 4237, CT 4238, CT 4239, CT 4240, CT 4251, CT 4261, CT 4262.

Partial Census Tracts: CT 4066—Excluding that portion contained in Block Group 1 and blocks 203, 204, 205, and 206; CT 4090—That portion east of Doolittle Drive.

Congressional District 9: Congressional District 9 shall consist of the part of Alameda County contained in the following whole and partial census tracts:

Whole Census Tracts: CT 4070, CT 4071, CT 4072, CT 4074, CT 4075, CT 4076, CT 4077, CT 4082, CT 4083, CT 4084, CT 4085, CT 4086, CT 4087, CT 4097, CT 4098, CT 4099, CT 4100, CT 4101, CT 4271, CT 4272, CT 4272.99, CT 4273, CT 4273.99, CT 4274, CT 4274.99, CT 4275, CT 4275.99, CT 4276, CT 4277, CT 4278, CT 4279, CT 4280, CT 4281, CT 4282, CT 4283, CT 4284, CT 4285, CT 4286, CT 4301, CT 4302, CT 4303, CT 4304, CT 4305, CT 4306, CT 4307, CT 4308, CT 4309, CT 4310, CT 4311, CT 4312, CT 4321, CT 4322, CT 4323, CT 4324, CT 4325, CT 4326, CT 4327, CT 4328, CT 4329, CT 4330, CT 4331, CT 4332, CT 4333, CT 4334, CT 4335, CT 4336, CT 4337, CT 4338, CT 4339, CT 4340, CT 4352, CT 4353, CT 4354, CT 4355, CT 4356, CT 4357, CT 4358, CT 4359, CT 4360, CT 4361, CT 4362, CT 4363, CT 4364, CT 4365, CT 4366, CT 4367, CT 4368, CT 4369, CT 4370, CT 4371, CT 4372, CT 4373, CT 4374, CT 4375, CT 4376, CT 4377, CT 4378, CT 4379, CT 4380, CT 4381, CT 4382, CT 4383, CT 4384, CT 4402, CT 4403.01, CT 4403.02, CT 4403.03, CT 4403.05, CT 4501, CT 4502, CT 4503, CT 4504, CT 4505, CT 4506.01, CT 4506.02, CT 4506.03, CT 4506.04, CT 4506.05, CT 4506.06, CT 4506.07, CT 4507.01, CT 4507.02, CT 4507.03, CT 4507.04, CT 4511, CT 4512, CT