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Sites Reservoir might be beneficiary of new bonds

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Building new dams in California has been talked about for years. The idea got an action-figure push this week when Gov. Arnold Schwarzenegger unveiled a package for \$43.3 billion in bond funding.

Among that would be \$4.5 billion in bonds for water storage and conveyance. Of that, \$2 billion would be general obligation bonds for surface water storage and half a billion would be for groundwater storage.

Another \$2 billion in revenue bonds would be sold for these projects. The revenue bonds would be repaid by partners in the projects who would benefit and therefore help to repay the debt.

On the list for surface storage projects are Sites Reservoir, proposed west of Maxwell, and Temperance Flat, which would be a dam on the northern San Joaquin River east of Fresno.

The bonds would be on the ballot in 2008, if approved by the Legislature.

For years the state has been looking at four surface water storage projects, including Sites and Temperance Flats, as well as expanding Los Vaqueros reservoir in Contra Costa County and Shasta Dam.

Mark Cowin, chief of the Division of Planning and Local Assistance for the Department of Water Resources has been working with DWR chief Lester Snow in advising the governor on what projects look like they have the most likelihood of coming together soon.

"For this proposal, we were looking for projects that provided the largest benefit, had a the broadest diversity of benefits and the largest number of potential partners," Cowin said.

For example, Temperance Flats and Sites will provide environmental benefits, flood control and can help flush salt water through the Delta if there are earthquakes, he said.

Sites would be filled from the Sacramento River in times of high flow. This might include hooking up with the Tehama-Colusa Canal or Glenn-Colusa Canal, as the reservoir would be "off-stream"

One big factor is that these projects are geographically situated so there are a number of water agencies that might be willing to help pay the \$2 billion in revenue bonds the state would issue.

The proposal includes language that says if either of these projects is not feasible, other projects would be looked at.

"We're putting the proposal on the table. We will have a hearty debate," he said of the legislative process.

Of course, the plan is far from a done deal. Some legislators have already voiced concern about California floating more debt, and environmentalists have long opposed construction of new dams.

Steve Evans, director of Friends of the River in Sacramento, said he doesn't see the point of allocating money for new dams when there haven't been enough studies.

"We don't know how feasible it is, how much it will cost or who will receive the money," he said.

He said he believes the governor is "trying to assuage" Republicans in order to receive support for health care proposals.

Evans said voters approved Proposition 84 last year, and that bond "provides millions of dollars for Sites and Temperance Flats. It doesn't make sense to put more money out there until more studies are completed," he said.

Evans said that in the past three years per capital use of water has been cut in half due to water use efficiency.

He said the cost of Sites, up to a projected \$2.4 billion to store 1.8 million acre-feet, would only produce about up to 500,000 acre-feet of water. One acre-foot of water is enough to provide for one to two households a year.

That water would be too expensive with agriculture, which would mean the water would clearly be headed out of the area.

Northern California Water Association director David Guy couldn't disagree more. His group has been working for years to get momentum to build Sites.

"We ought to applaud the governor for stepping up and talking about infrastructure. It's great to see leadership at the highest levels," he said.

He said the hardest part about starting momentum has been to find agencies that will invest in the projects. With the proposal on the table "we can see who comes out."

With California adding 600,000 new residents a year and worries about climate changes, California needs to "be creative and create more water supplies."

"We've had 11 wet years," so the motivation has not been strong for new supply. "It's good this governor is saying there will be another dry cycle," Guy said.

"I haven't ever seen a governor come out this directly," to encourage water supply, he said.

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