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July 19, 2012

Secretary

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Subject: Bay-Delta Conservation Plan Impacts to Contra Costa Water District and its Customers

Dear Secretary Laird:

The Honorable John Laird

Natural Resources Agency

1416 Ninth Street, Ste 1311

Sacramento, CA 95814

On behalf of Contra Costa Water District (CCWD), I am writing to continue our dialogue regarding the Bay-Delta Conservation Plan (BDCP) and to alert you that the preliminary operational studies prepared for the BDCP reveal serious adverse effects to Delta drinking water quality for CCWD and its customers. This conclusion is based on the underlying data describing potential BDCP operations. While we acknowledge that reducing the proposed facility intake capacity represents a change from the previous direction, we would like to emphasize that the impacts on CCWD's water quality are the result of operations assumptions rather than capacity size, and we have yet to see a commitment to change in that critical area.

In fact, the BDCP's preliminary operations studies indicate that water quality impacts have been understated, and will be much greater than the studies have acknowledged—to the point where the impacts would be devastating to CCWD's Delta operations. CCWD's \$850 million investment in the Los Vaqueros Reservoir and other projects to improve the quality and reliability of CCWD's water supplies, along with the improvements those projects have created for the Delta environment, would be significantly negated by the BDCP. CCWD fully supports the co-equal goals as evidenced by our past significant investments in water supply and quality projects that provided net benefits to the Delta ecosystem. However, based on BDCP's own analysis, the BDCP's advancement toward achieving its own goals would be at the peril of CCWD's already completed progress.

We bring this issue to your agency's attention at this time because we understand that release of the BDCP environmental documents is planned to occur shortly, with little change from the preliminary studies referred to above. We ask, instead, that the Resources Agency direct that Delta water quality be fully analyzed, and that the

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impacts to CCWD and its customers be evaluated and fully disclosed. Further, we ask that the draft Environmental Impact Report/Environmental Impact Statement (draft EIR/EIS) for the BDCP include concrete, enforceable mitigation measures that ensure impacts to CCWD do not occur. Until this work has been completed, release of the draft EIR/EIS will be premature.

CCWD recently completed the expansion of the Los Vaqueros Reservoir from 100,000 acre-feet to 160,000 acre-feet. In 2010, CCWD added a screened intake on Victoria Canal to improve the quality of water delivered to its customers. In the past two decades, CCWD has completed eight projects in the Delta, valued at over \$850 million. CCWD completed these projects in collaboration with other agencies, including the Department of Water Resources and the U.S. Bureau of Reclamation.

CCWD has been able to complete these projects by designing operations to avoid redirecting impacts to other entities, working closely with the Department of Fish and Game, the U.S. Fish and Wildlife Service and NOAA Fisheries, and by ensuring that each of these projects provided net benefits to the Delta environment. Achieving "coequal goals" has been a CCWD Board policy for CCWD projects affecting the Delta since the original Los Vaqueros Project planning was started in the 1980's. Avoiding redirected impacts, and providing net benefits to the Delta, have been instrumental in CCWD's success in completing these Delta projects. The BDCP should be directed to adopt this same approach.

The most current BDCP analyses show the BDCP will degrade Delta water quality in a manner that will be devastating to CCWD and its customers.

CCWD recently received from the Department of Water Resources detailed water supply and water quality analyses on each of the draft BDCP alternatives. The water quality analyses of BDCP operations remain incomplete as they are limited largely to salinity effects caused by new conveyance and they fail to analyze adequately the water quality impacts due to the tens of thousands of acres of habitat restoration that is also part of the BDCP. Nonetheless, the BDCP studies performed to date indicate water quality in the Delta would be degraded to levels that obstruct CCWD from filling Los Vaqueros Reservoir and would eliminate nearly all of the benefits of CCWD's investments over the past decade in its new intake and the recent reservoir expansion. Furthermore, it is likely that after fully accounting for the impacts of habitat restoration, the water quality impacts to CCWD will be even more severe.

These impacts are the direct result of the proposed operations of the BDCP and no other causes. The BDCP studies show salinity increases directly attributable to decreased outflow from the Delta and stagnation of water in the south Delta, which allows agricultural wastes to build up. The BDCP must find ways to meet its goals while avoiding such impacts to CCWD and other Delta water users. If impacts cannot be avoided, they must be fully mitigated. Secretary John Laird July 19, 2012 Page 3

The BDCP preliminary draft EIR/EIS fails to disclose, discuss or propose mitigation for these impacts to CCWD.

These impacts to CCWD are not fully revealed in the preliminary draft EIR/EIS, nor are any mitigation measures proposed that would reduce impacts to CCWD. While the analytical tools used were designed to calculate impacts to CCWD, and the results clearly show them, the preliminary draft EIR/EIS does not disclose at all the extent of these impacts to CCWD operations and Los Vaqueros Reservoir water reliability and water quality. Given that these impacts on CCWD's system, operations and customers are so large, there is no reasonable explanation for the failure to disclose the impacts in the draft EIR/EIS or to identify mitigation for these impacts.

At this point, the BDCP preliminary studies clearly indicate that the BDCP operations (under any alternative) would cause impacts to CCWD that are significant and unacceptable. These impacts will likely be greater once impacts from habitat restoration have been completely analyzed. The BDCP is currently re-evaluating the operations that will be included in the next draft of the EIS/EIR, but those operations are in the range of alternatives already analyzed that show these serious impacts.

You now have the opportunity to direct the BDCP to make the necessary corrections, fully disclose impacts to CCWD and provide full mitigation for those impacts. CCWD urges you to redirect the BDCP efforts to design a plan that 1) avoids impacts where possible, 2) mitigates all impacts that cannot be avoided, and 3) fully discloses the policies, operations, impacts and mitigation of the BDCP prior to releasing the draft EIR/EIS.

If you have any questions, I would be happy to discuss this with you further.

Sincerely Jerry Brow General Manager JB/GG/rlr

cc: Secretary Ken Salazar Acting Secretary Rebecca Blank Senator Dianne Feinstein Senator Barbara Boxer Rep. George Miller Rep. John Garamendi Secretary John Laird July 19, 2012 Page 4

cc: (continued)

Rep. Jerry McNerney Rep. Mike Thompson Rep. Grace Napolitano State Senator Mark DeSaulnier State Senator Lois Wolk State Senator Fran Pavley Assemblymember Susan Bonilla Assemblymember Joan Buchanan Assemblymember Jared Huffman Dr. Jerry Meral (Natural Resources Agency) Deputy Secretary David Hayes (DOI) Director Mark Cowin (DWR) Regional Director Donald Glaser (USBR) Federico Barajas (USBR) Dale Hoffman-Floerke (DWR)