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Fixing Delta comes with high price tag

Costs could total $54 billion, a consultant estimates.

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The Delta fix supported by Gov. Arnold Schwarzenegger and many of the state's largest water agencies could carry a staggering price tag of $23 billion to $54 billion, a consulting economist was planning to tell lawmakers Tuesday.

The estimate, provided in a paper by Steven Kasower, appears to be the first time that potential costs of different pieces of the proposed fix — storing and moving water, offsetting environmental damage caused by those projects and restoring habitat — have been compiled in one place.

But he emphasized that the numbers were very preliminary and that lawmakers would be foolhardy to pass a package of bills before better numbers are available.

Some critics of Delta planning efforts have observed the state could end up committing money for new water and environmental solutions that could otherwise be used for programs that have been hit by budget cuts.

"It is astounding that at the same time the Legislature is slashing funding for education, health and public safety, they're considering a multibillion-dollar package with no critical analysis of how much it will cost," said Jonas Minton, a water policy analyst at the Planning and Conservation League, a conservation group.

The annual cost to finance such a massive public works project could run from $1.5 billion to $3.4 billion a year for projects that are most likely to be paid for through water rates and $416 million a year from taxpayers to repay general obligation bonds, Kasower's report states.

A top water industry representative said the numbers were not surprising and a reasonable price tag considering earlier generations spent about $50 billion in today's dollars to build the state's major water delivery projects.

Those projects were good for delivering water cheaply but were not designed to protect the environment. The next phase of investment is to modify the water delivery systems to work in a more environmentally friendly manner, said Tim Quinn, executive director of the Association of California Water Agencies.

"Water costs will go up, but it probably doesn't cost as much as cable television in this state," Quinn said. "It's going to be expensive, but our grandchildren will be better off for it."

The figures compiled by Kasower included $4.2 billion to build a new aqueduct around the Delta and $9.8 billion to maintain levees to allow water agencies to continue taking water from the Delta. They also include rough estimates for environmental projects and new dams. The high end, $54 billion, would be reached if the state tunnels under the Delta to move Sacramento River water to the south instead of moving it through a new aqueduct.

Kasower came up with the very rough estimate that a Delta tunnel would cost $33 billion by comparing

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the project to the cost of the Chunnel, which connects Britain and France beneath the English Channel.

The Delta is the largest remaining estuary on the West Coast and a key supply of water for much of California. Two million acres are irrigated by water delivered from the Delta major export pumps near Tracy and two in three residents get at least some of their water from the Delta, ranging from the Contra Costa Water District which is virtually 100 percent dependent on the Delta to Southern California, which gets about one-third of its water from the Delta.

Since 2000, water deliveries out of the Delta hit record highs and Delta fish populations collapsed. The diversions were a likely cause of the environmental decline but not the only cause. Pollution, particularly from sewage treatment plants, and invasive species are also culprits.

Lawmakers meant to address the twin water supply and environmental crises this year but their intentions were trumped by the budget mess. Now, in the waning days of the legislative session lawmakers are trying to come up with a fix in the coming weeks.

"I don't think that's realistic, not given these kinds of costs," said Sen. Lois Wolk, D-Davis, chairwoman of the Senate Select Committee on Delta Stewardship and Sustainability.

The package of bills addresses how the Delta's environment and water diversions would be balanced and policed; mandates that a new plan be written to address the environment and water demands in the Delta; creates a conservancy to protect land in the Delta; sets statewide water conservation goals, and regulates groundwater.

It is unclear whether the package can pass, and if it can whether Schwarzenegger will sign it. He's threatened to veto it unless major changes are made, including that lawmakers meet his demand that financing be made available for new dams.

Wolk has scheduled a hearing for today on how to pay for the Delta plans.

She said the costs are so high, and the state is so strapped, that it might make sense to put off decisions on dams and canals and that those plans might have to be scaled back because the state might not be able to pay for them.

"The numbers are astronomical, and they're incomplete," she said. "Back to the drawing board."

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