

1

1

2

3 IN RE THE PUBLIC HEARING OF THE )

4 CALFED BAY-DELTA )

5 )

6

7

8

9

TRANSCRIPT OF PROCEEDINGS

10

Ruben H. Fleet Science Center

11

Balboa Park

12

1875 El Prado

13

San Diego, California 92101

14

15

Wednesday, September 1, 1999 at 6:58 p.m.

16

17

18

19

20

REPORTED BY: BECKY L. OWENS, CSR NO. 11944, RPR

21

22

23

PORTALE & ASSOCIATES DEPOSITION REPORTERS

24

211 East Weber Avenue

Stockton, California 95202

(209) 462-3377

25

PORTALE & ASSOCIATES (209) 462-3377

2

1 PRESENT:

2

JOE BODOVITZ, Hearing Officer

3 projected volume. This goal is being made more  
4 difficult to reach by present CALFED plans for  
5 Bay-Delta water release.

6       Development and managing local resources depends  
7 on good quality source water. Water recycling and  
8 groundwater storage programs cannot work efficiently  
9 with the high salinity water that flows from the  
10 Delta. CALFED must come up with a plan to reduce  
11 salinity of water delivered to Southern California so  
12 that our economy can continue to grow.

13       A second issue which is not dealt with  
14 sufficiently is water-storage capacity. Additional  
15 storage south of the Delta is essential during periods  
16 of drought, and it would be a dandy place to put water  
17 in times of flood. Recent memory provides examples of  
18 both conditions.

19       Water of high quality stored south of the Delta  
20 is an essential component of continued economic health  
21 for California.

22       Thank you.

23               HEARING OFFICER BODOVITZ: Thank you,  
24 Mr. Dawson.

25       Don Parent, George Plescia, Judi Rogers.

PORTALE & ASSOCIATES (209) 462-3377

70

1               MR. PARENT: Good evening. My name is  
2 Don Parent. I'm the chairman of the board of the East  
3 County Development Council.

4       I -- unlike Mr. DuBois, I was not here earlier  
5 to hear some of the presentation, so I apologize if I  
6 am covering things that have already been addressed,  
7 but I have a statement that I'd like to read from our

8 organization. But I think it covers all of the  
9 economic development issues in the county. East County  
10 economic development, over the years that I've been  
11 involved, has never refused to hear a presentation on a  
12 water issue. It's been very clear to us it's very  
13 important to the health of our economy.

14 Let me begin by emphasizing the importance of  
15 water quality and reliability of supply on production  
16 by high-tech and biotech firms in our area. They  
17 contribute billions to our regional economy and will  
18 suffer financially unless CALFED makes significant  
19 improvements in its program. The 1996 analysis  
20 reported almost 52,000 people employed by 1,860  
21 high-tech firms in San Diego County. The total payroll  
22 was \$2.5 billion, with an average wage of \$48,000 a  
23 year. Biotech firms plus biomed companies employed  
24 over 28,000 people with an average combined payroll of  
25 \$1.2 billion, and an average wage in biotech of 49,000

PORTALE & ASSOCIATES (209) 462-3377

71

1 and biomed of 39,000.

2 Our county water supply reaches us through  
3 Metropolitan Water District pipelines. Therefore,  
4 MWD's concerns are our concerns when it comes to  
5 controlling salinity, the most important objective for  
6 us in San Diego County.

7 The reduction of salinity from its present high  
8 levels is a costly process for companies in the biotech  
9 and high-tech fields. The present CALFED program does  
10 not ensure the ability to meet Metropolitan's 500  
11 milligram per liter's salinity blending target. That

12 lowered level would need to be subjected to further  
13 reduction by biotech and high-tech industries.

14 CALFED also must move forward with South Delta  
15 improvements to permit an increase in reliability of  
16 water supply. With the tremendous increase in  
17 California's population predicted over the next  
18 20 years, approximately another 15 million people,  
19 there definitely will be a crisis should the inevitable  
20 drought occur during the next decade. We in San Diego  
21 are taking -- in the San Diego area are taking steps to  
22 increase our water supply through a transfer from the  
23 Imperial Irrigation District. But even that addition  
24 to our supply will not be enough.

25 Last spring, federal regulators threatened to

PORTALE & ASSOCIATES (209) 462-3377

72

1 shut off the water to the nation's leading high-tech  
2 industries in the Silicon Valley, and to prime  
3 agricultural land in order to protect the Delta Smelt.  
4 Against that background, I ask what assurances do our  
5 high-tech and biotech industries have as to reliability  
6 of supply. The CALFED report in one place states --

7 HEARING OFFICER BODOVITZ: Mr. Parent, I  
8 hate to have you start another subject here. The  
9 time's up.

10 MR. PARENT: Thank you very much.

11 HEARING OFFICER BODOVITZ: Thank you, sir.  
12 George Plescia, Judi Rogers, Steve Bilson.

13 MR. PLESCIA: Good evening. George Plescia  
14 with State Senator Bill Morrow's office, who represents  
15 north San Diego and South Orange Counties.

16 Senator Morrow appreciates the hard work that

10 and make it less saline and less alkaline. I would  
11 suggest that you just put those comments and  
12 suggestions into your program, and maybe some  
13 legislature will carry the ball and we'll have cleaner  
14 water.

15 HEARING OFFICER BODOVITZ: Thank you,  
16 Mr. Bilson.

17 R. Alan Smith, Harvey Porter and Rita McIntyre.

18 MR. SMITH: Good evening. My name is  
19 Alan Smith. I'm director of public policy for Biocomp  
20 San Diego, which is the regional trade association for  
21 the life science industry.

22 Most other regional, state and national life  
23 science organizations deal with only one aspect of the  
24 life sciences, but because of a rather unique  
25 clustering of biotechnology, biopharmaceutical, medical

PORTALE & ASSOCIATES (209) 462-3377

79

1 device and diagnostics, and bioagriculture companies  
2 here, Biocomp represents all four of these very diverse  
3 groups within the life science industry.

4 Water is near and dear to our heart. Biocom  
5 came into existence as a public policy voice for the  
6 industry in response to the drought of 1990-'91.  
7 Since that time we've added a lot of other issues to  
8 our agenda, but the one that has always remained high,  
9 if not at the top, is the quality of water.

10 We don't possess the staffing or the expertise  
11 to provide a thorough technical evaluation of the draft  
12 programmatic environmental documents. However, we've  
13 consulted within our industry and with other trade  
14 organizations and with the San Diego County Water

15 Authority, and we've reviewed the comments of CWA with  
16 respect to the environmental documents, and we agree  
17 with most, if not all, of the concerns which they have  
18 raised, and we have a high degree of confidence in the  
19 regional leadership that the San Diego County Water  
20 Authority has provided on this issue and support the  
21 positions that they have espoused with respect to the  
22 draft environmental documents.

23 We do wish to take this opportunity, however, to  
24 raise your awareness about two specific issues related  
25 to consistency of the water supply. First is with

PORTALE & ASSOCIATES (209) 462-3377

80

1 respect to the quantity. If life science companies are  
2 going to prosper, grow, and survive in California, we  
3 need assurance that there will be a consistent quantity  
4 of water, Monday through Friday, winter, spring, summer  
5 and fall. IDAK Pharmaceutical, for example, has been  
6 contemplating for some time a manufacturing plant that  
7 would jump them from 65,000 gallons of water a day as  
8 an R and D to 750,000 gallons a day as a manufacturing  
9 facility. And finally, with respect to consistency of  
10 quality, the variability is so great that if we built  
11 our purification systems for the worst case scenarios,  
12 they're overly expensive and we don't need them all the  
13 time. If we build them to lower standards and then we  
14 have too much sub-standard water, then we run great  
15 risks that our equipment will be damaged and our  
16 product production will be disrupted.

17 So we hope that you will find ways to narrow the  
18 range of variability in the water quality that is

19 delivered to us.

20 Thank you.

21 HEARING OFFICER BODOVITZ: Thank you,  
22 Mr. Smith.

23 Harvey Porter, Rita McIntyre.

24 MR. PORTER: Good evening. My name is  
25 Harvey Porter. I'm here representing the Industrial

PORTALE & ASSOCIATES (209) 462-3377

81

1 Environmental Association of San Diego. We're an  
2 industry organization. Our members are anywhere from  
3 heavy industry to biotech, anything in between.

4 First of all, we want to comment on the work of  
5 the CALFED project. It's only through this kind of  
6 focused and dedicated effort with everyone at the table  
7 working together that we will be able to make  
8 progress. I'm here tonight because we do feel some  
9 unresolved issues should be addressed in the EIR/EIS  
10 before it is finalized.

11 Three areas of particular interest to IEA.  
12 Specifically, first we believe that defined water  
13 quality milestones should be identified. A method  
14 devised to measure progress and a schedule for  
15 improvements should be adopted as part of the EIR/EIS  
16 process to achieve long-term water quality goals.

17 Secondly, regulatory certainty and  
18 predictability are of great importance. Once CALFED  
19 adopts a plan and begins implementation, it is critical  
20 that water purveyors understand exactly how to comply  
21 with the regulatory demands.

22 Third, a financing plan needs to be assembled  
23 which will assure businesses have access to affordable