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Bay Area Council Requests Congressman Lungren Reconsider Support for Hetch Hetchy Removal

SAN FRANCISCO, March 15, 2007 – Today, the Bay Area Council, which represents more than 275 of the largest employers in the Bay Area, asked United States Congressman Dan Lungren (R-Gold River) to reconsider his call for the destruction of the Hetch Hetchy water system.

“The Bay Area Council is extremely disappointed that Congressman Lungren would adopt a position diametrically opposed to that of the business community of the Bay Area,” said Jim Wunderman, President and CEO of the Bay Area Council. “Removal of Hetch Hetchy fails the financial, environmental and sound water policy tests and we respectfully request he reconsider his position.”

According to the California Department of Water Resources, cost estimates to replace Hetch Hetchy stand at approximately \$10 billion, which confirms an earlier study by the federal Department of the Interior. Hetch Hetchy supplies 85 percent of the water used by 2.4 million Bay Area residents, two-thirds of whom live outside San Francisco. The water delivered from Hetch Hetchy is considered outstanding in its quality, has a Federal exemption from filtration, and the consistency of that quality is critical to institutional users, such as several prominent Silicon Valley chip manufacturers, biotechnology companies and research facilities. No Hetch Hetchy replacement scenario, even ones which incorporate expensive filtration systems, would match the level of water purity users currently benefit from.

Previous studies showed that any replacement scenario would also require additional water supplies, almost certainly from the California Delta, which could put more pressure on the fragile ecosystem. Increased Delta salinity, greater environmental stress on the smelt population, wetlands and marshes could all result. Those impacts could then affect conditions in San Francisco and San Pablo Bay.

Studies by the San Francisco Public Utilities Commission and others confirm that removing the Hetch Hetchy reservoir would result in the loss of all or a large portion of 400 MW of clean, renewable hydroelectric power, which is the equivalent of burning 39 million barrels of oil per annum. Elimination of the power generated by Hetch Hetchy – used by farmers, cities and services like MUNI transit in San Francisco, as well as San Francisco International Airport – would therefore require new fossil fuel-burning plants to maintain California’s already short supply of electrical energy.

Scientists, such as those that worked for Governor Schwarzenegger's Climate Action Team, project that if greenhouse gas emissions are not cut, global warming will raise temperatures between 8 and 10.4 degrees in California and diminish the Sierra snow pack by 90 percent in the next century, making existing capture and storage operations like Hetch Hetchy all the more valuable. According to these same studies, global warming could also raise the sea level between 4 and 33 inches, causing coastal erosion and sending salt water surging into Sacramento Delta water supplies, making reliance on that system a risky proposition for the Bay Area.

“Wiping out the hyper-pure water source for one-third of the Bay Area at a cost of \$10 billion, all to increase access and use of a valley already visited by 50,000 tourists per year, just does not make sense,” continued Jim Wunderman. “We call on Senator Feinstein, Senator Boxer, Speaker Pelosi and our Bay Area federal delegation to unite and take the action necessary to protect the Hetch Hetchy water and power system. They should oppose the \$7 million appropriation in the FY08 budget proposed by the Department of Interior for yet more analysis of this exhausted and foolhardy proposal.”

“This proposal could additionally disrupt ongoing sensitive negotiations between water users, water distributors, agribusiness and environmentalists statewide regarding California new water plan,” said Wunderman.

Previously the Southern California Water Committee - spanning Los Angeles, Orange, San Diego, San Bernardino, Imperial, Riverside, Ventura and Kern Counties, and member representatives from business, government, agriculture, water agencies, and the general public – announced its opposition to removing Hetch Hetchy.

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About the Bay Area Council

Founded in 1945, the Bay Area Council (www.bayareacouncil.org) develops and drives regional public policy initiatives and researches critical infrastructure issues. Led by CEOs, the Bay Area Council presents a strong, united voice for hundreds of major employers throughout the Bay Area region whom employ more than 501,000 workers, or one of every six private sector employees in the Bay Area.