



San Joaquin River Group

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February 10, 1999

FEB 11 1999

Honorable Michael J. Machado
Assemblyman - 17th District
State Capitol
P.O. Box 942849
Sacramento, California 94249-0001

RE: VAMP DISCUSSIONS

Dear Assemblyman Machado:

Thank you for the opportunity to meet with you and Assemblyman Cardoza yesterday to discuss the San Joaquin River Agreement (SJRA) implementation of the Vernalis Adaptive Management Plan (VAMP). I have enclosed a "bullet-point" assurances paper as requested, however, some additional context is required.

Pursuant to our discussions yesterday, we were to get you a list of assurances needed by proponents of the VAMP to move forward on our dialogue. To adequately appreciate the need for such assurances, they must be placed in context.

As you know, the State Water Resources Control Board (SWRCB) is currently holding hearings to establish the implementation of the 1995 Water Quality Control Plan for the San Francisco Bay Delta. During the process, several implementation strategies are under consideration. One of those strategies is the SJRA/VAMP which is often collectively referred to as just "VAMP".

The VAMP is an historic agreement between senior water right holders in the San Joaquin Valley stretching south from Stockton to Bakersfield. It includes export contractors from Tracy to San Diego. It includes Santa Clara County Water District and the City and County of San Francisco. Agencies approving the VAMP include the California Department of Water Resources (DWR), US Bureau of Reclamation (USBR), US Fish & Wildlife Service (USFWS) and California Fish & Game (CDFG). Additionally, the VAMP has the tacit approval of the Natural Heritage Institute, the Bay Institute, the USEPA, as well as most water interests in the Sacramento Valley.

The VAMP has successfully completed a section "7" consultation under the federal Endangered Species Act; it has been included in

for CVPIA. It has been cited as a mitigating factor by US National Marine Fisheries Service (NMFS) and USFWS in their respective Endangered Species Act administrations.

Lastly, but certainly not least, the "Monterey Accord" which created CAL/FED was based in part upon the assumption that certain San Joaquin River flows at Vernalis could be accomplished for fishery protection. In the absence of that reality, the SWRCB will proceed to "Phase 8" of its hearing which is the "water war to end all water wars" in California. In our view, that fight could dissolve the consensus approach upon which CAL/FED relies, potentially squandering a great opportunity for California.

It is in this economic, political, and legal context that any supplement to the VAMP or any delay in implementation must be considered.

You have asked the proponents of VAMP to do the following:

1. Forgo further efforts to implement the VAMP for ninety (90) days + or -.
2. During that time, enter negotiations to supplement the VAMP with the view of resolving concerns of South and Central Delta Water Agencies.
3. Forgo implementation of 1999 "VAMP-like" water transfers deferring to "natural flow" by which is meant "base flow" or what would have been at Vernalis without a transfer.

To agree to this "stand down" the proponents of the VAMP need the following assurances:

- A. Forgoing the 1999 transfer will not jeopardize the VAMP process for implementation. These assurances are needed from USFWS, USBR, US EPA, NMFS, CDF&G and DWR.
- B. USBR and DWR will agree to forgive implementation of water purchases in 1999.
- C. During the standstill period:
 1. No new aquatic species in the Delta will be listed as threatened, endangered, or have critical habitat designated nor will any action prejudicial to VAMP

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proponents be taken based upon the assumption VAMP will not occur.

2. In the absence of VAMP-like commitments, negotiations with NMPS for candidate conservation agreements will bear little or no fruit during March/April/May. Assurances from NMPS is therefore necessary that the absence of the VAMP will not affect its decision concerning the listing of fall-run chinook salmon in August 1999.
3. The SWRCB agrees to suspend its Delta proceedings during the standstill period.
4. The NHI and Bay Institute agree to the deferral.
5. The deferral does not result in a water supply impact to any VAMP proponent.

In the alternative, we would agree to implement the transfer in 1999 and let the parties challenge as they see fit and focus our attention on 2000 and beyond to give ourselves more time for success.

We look forward to our meeting next week and any report of progress you may have towards these assurances.

Very truly yours,



ALLEN SHORT, Coordinator
SJRG