



To: NCWA Members
From: Dan Keppen, Member and Government Relations
Date: May 12, 1998
Re: CALFED Draft EIS/EIR Review

Introduction:

The CALFED Bay-Delta Program (CALFED) released its draft programmatic environmental report (Draft EIS/EIR) in March and is currently conducting hearings throughout California to receive public comments on the program and report. Overall, the report summarizes the distinguishing characteristics of its three Alternatives, and analyzes their performance expectations and issues of concern relating to water quality, supply reliability, and environmental needs. Alternative 3, which features a dual Delta conveyance system, including an 8,000 – 12,000 cfs isolated facility, is identified as the most promising alternative based upon public health and fishery concerns.

The Wilson and Clinton Administrations have announced an extension of the deadline for written comments on the plan from June 1 to the end of June. CALFED is also considering issuing a revised draft environmental report recommending Alternative 3 as the preferred alternative – and an additional comment period on the revised draft. This revised draft would contain several critical provisions, including the staging of storage and conveyance elements and possibly recommendation of an interim plan to address Delta problems. The extension means that if CALFED identifies the preferred Alternative this year, it will most likely be Alternative 3, but CALFED would defer implementation steps on the storage and isolated facility features until next year.

NCWA is reviewing the Draft EIS/EIR and will prepare final comments both independently and in coordination with the Ag-Urban Policy Group (AUPG) and the Agricultural Water Caucus. NCWA will also testify at the May 14 public hearing in Redding, and at the May 20 public hearing in Yuba City. The following is our detailed summary of the draft report.

Overview of the CALFED Program & Coordination with Other Programs:

The Draft EIS/EIR is a programmatic document which focuses on the interrelated long-term and cumulative consequences of three primary alternatives, each of which contains “common” programs on water quality, ecosystem restoration, water use efficiency, water transfers, Delta levee system integrity, and watershed management. A range of new storage development is evaluated for each alternative. The key distinguishing feature between the three alternatives is how each proposes to move water through or around the Delta. With the exception of the Delta levee system integrity element, all these program elements are important for Sacramento Valley water suppliers and farmers.

The Draft EIS/EIR presents a “No Action Alternative” for the purpose of assessing what would happen in the future if the CALFED project alternatives are not implemented. A well-written No Action Alternative should provide a clear explanation of which programs will be completed under the CALFED

umbrella, and which programs are distinctly separate from CALFED. Many stakeholders are hopeful CALFED will ultimately provide for better coordination between the state and federal agencies and their often conflicting mandates that govern water decisions in the Bay-Delta watershed. The Draft EIS/EIR should clearly distinguish its proposed actions from those conducted under other existing programs. For example, the Draft EIS/EIR does not clearly identify and distinguish its proposed Sacramento River restoration actions from those planned by the Upper Sacramento River Advisory Council (SB 1086). Also, greater specificity is necessary to demonstrate how proposed Central Valley Project Improvement Act implementation actions will be folded into the CALFED process.

Storage and Conveyance Elements:

The alternatives differ primarily in the proposed method of transporting water through or around the Delta, and the amount of additional storage included in each alternative. CALFED's Phase II Interim Report assesses distinguishing characteristics of each conveyance alternative and suggests that Alternative 3 - a dual conveyance facility with new screened diversions at existing Delta pumping plants, plus a new isolated conveyance facility with an 8,000 - 12,000 cfs capacity diversion located at Hood - provides more benefit than Alternatives 1 & 2. The most important characteristic of the Dual Delta facility is that it will improve water quality for export interests, and provide operational flexibility that is believed to minimize the negative impacts of the export pumps on Delta fish species and the environment.

Many questions surround operation of the proposed isolated facility, including its potential effects on all salmon species that will have to swim past the facility on their migration out to the Pacific Ocean and returning later to spawn upstream, and to delta fish species such as the Delta smelt. A new screened intake at Hood exposes Sacramento River runs of chinook salmon and steelhead to a possible entrainment source that currently does not exist in the north Delta. Assurances that operation of a new conveyance facility will not adversely impact fish species, as well as the water rights and supplies held by Northern California water users, must be developed prior to construction of any new conveyance facility. Similar assurances must prevent CALFED from proceeding with new Delta conveyance improvements until all actions, particularly new Sacramento Valley off-stream storage, are permitted, financed and are ready for implementation. Adequate programmatic findings are essential to ensure implementation of storage actions simultaneously with the common programs, particularly the ecosystem restoration program. Local sponsorship must be the foundation of any conjunctive use program, as recommended in the CALFED Groundwater Outreach Program report.

CALFED has not released a detailed analysis of storage options in the draft EIS/EIR. Instead, a preliminary evaluation was performed on each alternative to determine an appropriate range of storage. A rough approximation of water supply benefits for various storage volumes was made for both Sacramento River off-stream storage and south of Delta off-aqueduct storage. This preliminary evaluation suggests that the upper limit for new off-stream storage in the Sacramento Valley is about 3 MAF while a maximum of 250 TAF of new yield through conjunctive use is proposed. CALFED has held off on further commitment to storage locations and sizes until detailed study and interaction with

stakeholders is accomplished. Off-stream surface storage facilities under consideration include Sites Reservoir, Red Bank, Thomes-Newville, enlargement of Los Vaqueros, and enlargement of Shasta Dam.

Ecosystem Restoration Program (ERP):

CALFED's Ecosystem Restoration Program (ERP) is intended to provide a habitat-based strategy to restore and enhance the Bay-Delta ecosystem, including potential areas in the Sacramento Valley watershed. ERP actions stress reactivation of natural watershed processes, such as stream meander, gravel recruitment, enhancement of riverine corridor vegetation, and tributary streamflow augmentation to provide improved habitats for multiple and diverse fish, wildlife and plant species. This program represents a significant component of the CALFED plan, with estimated program expenditures of \$1.5 billion over a thirty year period.

Although ERP actions, if ultimately successful, may alleviate regulatory pressure on Sacramento Valley water users, various program actions raise numerous questions for water suppliers, farmers and landowners. Surface water diverters and property owners adjacent to rivers and creeks risk impacts associated with CALFED's proposals to acquire farmland to create river meander zones, enhancement of riparian vegetation along channeled stream sections, and setback levee construction. CALFED proposes to convert roughly 30,000 acres of Sacramento Valley farmland to habitat. Assurances must be secured to minimize the impact of these acquisitions on existing land use activities, financial integrity of districts, and local county revenues. NCWA's Board of Directors formed a special committee to review CALFED's land acquisition activities, and plans to propose specific steps agencies must undertake before these acquisitions begin.

We intend to work closely with CALFED to coordinate agency actions to reduce juvenile fish entrainment at water diversion locations, particularly at Red Bluff Diversion Dam, and to direct restoration funding toward these practical, effective measures. CALFED must conclusively support its premise as to how specific instream flows will benefit ecosystem restoration, since approximately 200,000 AF of average annual alternate supplies are proposed for acquisition by the ERP.

Water Quality Improvements:

CALFED intends to implement a Water Quality Program Plan (WQPP) in order to improve overall water quality for environmental, agricultural, drinking water, industrial and recreational uses. The WQPP has been developed at the programmatic level, therefore much work still remains to identify specific projects and implementation measures needed to achieve the desired improvements, although it is now clear the agencies are focusing on source water problems, such as agricultural runoff. During the next phase of the CALFED program, water quality activities will be further developed, refined and evaluated before any specific actions are adopted.

Actions with potential impacts for Sacramento Valley agricultural water suppliers and farmers include proposals to limit soil erosion and reduce pesticides, nutrients, pathogens, salinity, and ammonia in

agricultural runoff. Due to the general lack of scientific data on a direct relationship between specific agricultural runoff and negative effects on fish species, CALFED intends to initially finance studies and analysis that will fill in the data gaps. Accordingly, CALFED's WQPP relies heavily on the implementation of measures based on financial and regulatory incentives rather than on traditional regulatory enforcement actions. The WQPP is meant to provide an overview of the types of activities being contemplated for the estimated 20-30 year implementation phase. NCWA has encouraged CALFED to provide financing and regulatory safe harbors to water suppliers and farmers that elect to participate in voluntary actions.

Water Use Efficiency:

CALFED's Water Use Efficiency component focuses on improvements in local water use management and efficiency in urban, agricultural and environmental water uses (wetlands, refuges). The Draft EIR/EIS suggests that more water users and suppliers must implement cost-effective efficiency measures developed by the AB 3616 MOU or pursuant to CVP water use efficiency plans. The report also stresses that water use efficiency will become part of the final plan, and that existing supplies must be used efficiently before CALFED undertakes steps to develop new storage or modify the current Delta conveyance system. CALFED plans to require demonstration that appropriate water management and planning, and cost-effective efficiency measures are being implemented. Further, if an acceptable majority of agricultural water suppliers (districts that serve water to two-thirds of the total acreage in the CALFED solution area, or approximately 5 - 5.5 million acres) have not adopted and begun implementation of their water management plans by January 1, 1999, then CALFED agencies will support more restrictive policies patterned after those that apply to urban water users.

CALFED's report recognizes that much of the water applied to crops that is excess to plant needs is reused, whether through return flows, deep percolation, or flow to neighboring farms. CALFED advocates a flexible approach, with funding for technical planning and implementation assistance. NCWA will continue to advocate water use management through region-specific plans that take into consideration such factors as surface and groundwater quality and quantity, soil quality and type, cultural practices and economic and environmental benefits.

Watershed Management Coordination Plans:

CALFED's proposed watershed strategy intends to coordinate and integrate the efforts of the various watershed groups throughout the state to streamline funding, standardize data collection, provide for peer review in adaptive management and serve as a "clearinghouse" for information exchange. CALFED proposes becoming the "coordination point" for participating agencies to more effectively coordinate their watershed budget dollars in conjunction with CALFED funding.

Because of the broad nature of the existing document, it is difficult to assess how this program will impact Sacramento Valley water users. NCWA supports a grass-roots approach to watershed

management, with stakeholders driving the process, supported by CALFED funding and technical expertise.

There are four final areas that are moving forward, but are much less defined. Nonetheless, these are critical from the Northern California perspective. A preliminary review of these issues follows.

Water Transfer Policy Framework:

The report proposes the development of a policy framework for water transfers, which will include baseline data collection, public disclosure, and analysis and monitoring. CALFED considers water transfers an integral component of a long-term solution, however, minimal progress has been accomplished to identify specific provisions of state and federal law or agency regulation that should be amended to improve transfers. Initially, CALFED's Water Transfer Work Group focused upon the concept of a water transfer clearinghouse, yet these discussions have given way to solving physical problems such as system conveyance limitations through south Delta improvements and development of a dual system.

Concurrent with CALFED's work on a policy framework for water transfers, members of California's legislature are developing legislative proposals designed to consolidate California's water code dealing with water transfers. Its unclear at this time if this effort will succeed in this year's legislative session.

Assurances and Implementation Strategy:

The CALFED Draft EIS/EIR briefly discusses the proposed implementation strategy that will be used to assure that the final preferred alternative plan will be implemented and operated as it is designed. Later this year, CALFED, working through the Bay Delta Advisory Council and the Assurances Work Group, will develop a package of assurances, create a contingency process to address unforeseen circumstances, and develop a staging plan to allow various plan elements to be implemented in a manner that allows all stakeholders to "get better together."

The issue of assurances, especially staging, is critical to achieving an acceptable long-term Bay-Delta solution. The preliminary program staging outline proposed by CALFED suggests that implementation of ERP, water conservation and water quality programs will begin in early 2000, in conjunction with site-specific analyses for storage and conveyance facilities. Key assurance issues of concern to NCWA members include adherence of long-term storage and conveyance implementation to California's water rights system and area of origin laws, restoration impacts on existing land use, creation of a new entity to administer the ERP, developing an ongoing representative public process, coordinated implementation of program elements, and endangered species regulations.

Financing CALFED's Solution:

The CALFED financial plan is so preliminary and general that an adequate test of compliance with NCWA financial principles cannot be made at this time. Currently, less than \$1 billion is now available for CALFED activities estimated to initially cost \$10 billion in capital alone. The preliminary CALFED financial strategy is to fund the preferred alternative with public funds and user money, including water user fees, assessments, and access and license fees. Direct beneficiaries of specific actions will likely pay, at least in part, for those benefits. Program elements that provide broad public benefits would be funded by state and federal agencies and through new appropriations. While financing is a critical issue to the CALFED solution, much more work will be required before a meaningful financial plan is achieved.

California and Federal Endangered Species Act Compliance:

As a foundation for implementing the state and federal Endangered Species Acts (ESA) compliance process, CALFED is developing a comprehensive Conservation Strategy for the CALFED program. The Conservation Strategy is intended to integrate CALFED enhancement and mitigation actions to provide for improved species and habitat protection, increase assurances of overall program implementation, and streamline state and federal ESA take authorization for approved actions. The Conservation Strategy will provide a species- and natural community- based comprehensive review of the entire CALFED Program, including the ERP, and including identification of mitigation measures needed to offset the effects of other Program actions. We must work to ensure that CALFED mitigation measures are reasonable and complement the ERP. The proposed Conservation Strategy will initially address certain CALFED activities – ERP actions, water quality, certain in-Delta conveyance actions – consistent with their preliminary staging plan. Other Program actions will require additional site-specific planning and review before they can be implemented.