

May 13, 1998

**MEMORANDUM TO CALFED POLICY GROUP**

**FROM** See Undersigned

**Subject:** Request for Directed Action to Approve Category III Funding for Prospect Island

The U.S. Army Corps of Engineers, U.S. Bureau of Reclamation, U.S. Fish and Wildlife Service, National Marine Fisheries Service, California Department of Water Resources, Department of Fish and Game, and the Port of Sacramento support this request to the the CALFED Policy Group to take direct action and approve two million dollars of Category III funding to repair levees on Prospect Island in the Delta to enable fish and wildlife habitat restoration. We are asking for this directed action because of the urgent need to fix these levees this summer and fall to prevent further erosion to the internal structure of Prospect Island levees.

As you may know, Prospect Island is the site for the proposed Prospect Island Habitat Restoration Project (Project). The Corps and DWR are cosponsors of the proposed Project, which is designed to restore 1200 acres of freshwater tidal marsh and riparian habitat in the Delta. This Project would provide habitat that may be beneficial as rearing habitat for fry and juvenile chinook salmon; spawning and rearing habitat for resident Delta fish, such as Delta smelt and splittail; and habitat for waterfowl and shorebirds. The FWS plans to include the Project in its proposed North Delta National Wildlife Refuge.

In 1994, because of the proposed ecosystem benefits and to facilitate the Corps planning, Congress directed Reclamation to purchase the Project site, approximately 1200 acres of agricultural land on the northern portion of the Island. The Port of Sacramento owns approximately 300 acres of land adjacent to and south of the proposed Project. Unfortunately, since 1995, flood flows in the Delta have repeatedly breached levees and flooded the Project site and the Port's land. The levees must be repaired and water removed from these lands before any construction of the restoration Project can proceed.

In October 1997, the Corps and DWR circulated a draft Environmental Assessment and Initial Study of the Project for public comment. They plan to approve the document this June. As described in the draft EA/IS, Project construction consists of contouring the land to create several small islands, excavating a central channel through the length of the island, and excavating several smaller dead-end channels. Gradual slopes would be built on the internal levees, creating embankments to stabilize the levees and provide shaded aquatic habitat. After construction of the internal

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features, the surrounding levee would be breached in two locations to create a flow of delta waters between the Deep Water ship Channel and Miner slough and to create a tidally influenced shallow water habitat.

Almost two million dollars is needed to close a breach on the cross levee separating the Project site from the Port lands, a breach on an exterior Miner Slough levee on the Port's land, and to pump Prospect Island dry. If the exterior levee is not repaired, the cost of repairing the cross levee increases by 1.5 million dollars. To obtain the desired habitat for fish and wildlife, Prospect Island must be dry to build the small internal islands, excavate the channels, and build gentle slopes on the inside levees. We would like to pump water off Prospect Island this August so that the cross levee could possibly be reconstructed this year, before more damage is done by winter storms.

Other funding already committed to constructing the Project includes funds from the Corps and Category III. DWR, as the non-federal sponsor, must fund 25 percent of Project construction and provide long-term management of the Project. To fulfill this obligation, in 1995, DWR obtained approval from the Category III Steering Committee for 1.25 million dollars to construct the Project and 1.25 million dollars for an endowment fund for long-term management of the Project. The Corps, after Project approval, will commit about 4.5 million dollars for the Project, including planning, design, and construction. Reclamation has funded all land acquisition and maintenance costs at the proposed Project site in anticipation of the Corps and DWR completing environmental documents and approving the Project.

In addition, DWR will be applying to Category III for about 1.5 million dollars to implement a three-year monitoring program that is designed to provide information on: (1) ecological processes resulting from restoration, (2) Project success evaluated through use of habitat by targeted species, and (3) production of organic material and potential impacts of additional organic carbon to water supply. The monitoring program is key to analyzing the effectiveness of Delta restoration projects and will be used to develop adaptive management principles for this and similar projects. This comprehensive monitoring plan could be used as a baseline plan for monitoring other Delta restoration projects.

Although Prospect Island is not a project proposed by CALFED, many in CALFED, such as the Corps, Reclamation, and DWR, have an interest in it as an example of habitat restoration in the Delta. Other CALFED agencies, such as NMFS and DFG, are interested in the Project to evaluate the potential benefits to fish and wildlife in the Delta. FWS intends to operate the Project as a National Wildlife Refuge. One of the Project goals is to learn how to restore beneficial fish and wildlife habitat.

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Monitoring after construction, as discussed above, will be performed to determine these benefits. Project proponents and others believe that the CALFED Program will benefit from this Project because of the information obtained from it.

Therefore, we believe this is an appropriate use of Category III funds. The funds will be used to enable a Delta restoration project to proceed which will ultimately have multiple benefits to the Delta and to CALFED while not requiring additional water (a nonflow related project). Please see the attached "Propect Island Estimated Budget - Levee Repairs and Pump Costs" for more details of costs to repair the levees and pump the island dry. If you have any questions about the above or need additional information, please contact Walter Yep of the Corps at (916)557-6699, Robert Stackhouse of Reclamation (916)978-5201, or Randy Brown of DWR at (916)227-7531. Thank you for your consideration.

Sincerely,

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Walter Yep, Chief of Planning  
U. S. Army Corps of Engineers

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Date

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Robert Stackhouse,  
U.S. Bureau of Reclamation

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Date

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Randy Brown, Chief of Environmental Services  
Department of Water Resources

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Date

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Wayne Whie,  
US Fish and Wildlife Service

\_\_\_\_\_  
Date

cc: U.S. Fish and Wildlife Service  
National Marine Fisheries Service  
Department of Fish and Game  
Port of Sacramento