

## M e m o r a n d u m

Date: March 28, 2000

To: CALFED Management Group

From: Rick Soehren *RS*  
South Delta ERP Coordinator

Subject: Concurrence with Fay Island Proposal

**Action:** Concurrence to move forward with a proposal for DWR to pay for the purchase of Fay island as mitigation for a small planned dredging project; and for CALFED to include restoration of Fay Island as part of the South Delta Ecosystem Restoration Program.

**Background:** At the Management Group meeting on March 14, 2000 CALFED staff described a proposal for acquisition of 100-acre Fay Island as mitigation for a DWR dredging project, with subsequent restoration of the site as part of the ERP. Management Group directed staff to assess the feasibility and report back in two weeks.

Staff from DWR, DFG, USFWS, and CALFED have reviewed the proposal. It appears to be implementable in a timely manner, with no fatal flaws. Corps staff have said they will stand behind the USFWS position on this proposal.

**What are the benefits?** This proposal will allow CALFED to move more quickly to "raise the baseline" of ecosystem health in the Delta, allowing other parts of the CALFED program to proceed more quickly as well. It is also a good opportunity for CALFED agencies to begin working closely on projects of mutual interest and benefit.

**What are the potential disadvantages?** Paying for the purchase of Fay Island will be more complex mitigation for DWR than simply buying into a mitigation bank. It is an uncommon mitigation arrangement for the USFWS to approve, since habitat restoration will come later as a CALFED project. DFG will be asked to take custody of CALFED project land in the Delta sooner than expected.

(Over)

**CALFED Agencies**

**California**

- The Resources Agency
- Department of Fish and Game
- Department of Water Resources
- California Environmental Protection Agency
- State Water Resources Control Board
- Department of Food and Agriculture

**Federal**

- Environmental Protection Agency
- Department of the Interior
- Fish and Wildlife Service
- Bureau of Reclamation
- U.S. Geological Survey
- Bureau of Land Management
- U.S. Army Corps of Engineers

- Department of Agriculture
- Natural Resources Conservation Service
- U.S. Forest Service
- Department of Commerce
- National Marine Fisheries Service
- Western Area Power Administration

**What assurance is there of timely restoration?** CALFED is working to speed up South Delta ERP planning and environmental documentation, so that restoration can begin more quickly. If for some reason the ROD is delayed, funds already allocated for South Delta ERP planning and environmental documentation can be focused on Fay Island.

**Does this compete with existing mitigation banks?** The Fay project would not be a mitigation bank. It would be an alternative to DWR purchasing mitigation credit at an existing bank for one small project. It appears that there may be other projects poised to purchase major shares of existing Delta mitigation banks (Corps SB 34 activity). The Fay project would hasten the implementation of other CALFED activities that would require significant mitigation, at existing banks or elsewhere.

**Is there scientific uncertainty?** There is uncertainty regarding the advantages and disadvantages of restoring habitat in the southern half of the Delta. The Management Group has recommended proceeding with some habitat restoration during Stage 1 of CALFED implementation, so we can learn more about the best places to restore aquatic habitat and apply adaptive management to subsequent program implementation.

**Are there backup plans in case events do not occur as expected?** Yes. If the purchase of the property does not occur as expected, DWR can use existing mitigation banks as an alternative. If the purchase proceeds but DWR does not carry out the dredging project, the property could either be held for future mitigation needs or transferred to CALFED for restoration.