



**CALFED
BAY-DELTA
PROGRAM**

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June 22, 2000

Mr. John C. Coburn
General Manager
State Water Contractors
455 Capitol Mall, Suite 220
Sacramento, CA 95814-4409

Dear Mr. Coburn:

Thank you for your letter of May 23, 2000, inquiring about the status of the Los Banos Grandes (LBG) Reservoir Project in the CALFED planning process. As you know, LBG was one of fifty-two potential reservoir sites considered in CALFED's initial surface storage screening process. CALFED initiated this process to reduce the number of sites to a more manageable number for further detailed evaluation. Through this effort, CALFED looked for sites that could provide broad benefits for water supply, flood control, water quality, and ecosystem restoration and are consistent with CALFED's restoration programs, solution principles, and policies. The process and the twelve sites retained for additional CALFED consideration are described in the report, *Draft Initial Surface Water Storage Screening*, December 22, 1999. As stated in that report, those sites not retained for additional CALFED consideration may still be candidates for development by others for other purposes.

As noted in your letter, LBG has undergone significant evaluation since the mid-1980s. Those studies have shown that LBG would provide water operations benefits with significantly less expensive facility costs than other potential off-aqueduct storage alternatives. As you also know, the project also poses significant environmental concerns. The reservoir site contains the largest stand and about one-quarter of the total remaining Central California Sycamore Alluvial Woodland natural community. Six listed species could be impacted by the proposed reservoir, including the Valley elderberry beetle, blunt-nosed leopard lizard, bald eagle, Swainson's hawk, giant kangaroo rat, and San Joaquin kit fox.

In a September 18, 1997 letter to the CALFED Bay-Delta Program, the U.S. Fish and Wildlife Service expressed concern that attempts to mitigate for project impacts at LBG could fail. The letter states:

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
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Special attention should be given to impacts at the Los Banos Grandes and Auburn reservoir sites. We believe that full mitigation for these impacts would not be easy. This is not just a question of economic feasibility; rather, the fish and wildlife resources that would be impacted by construction of either project are extremely valuable, and existing habitat restoration techniques – and the geographic extent of appropriate land – are extremely limited, and that mitigation could likely fail regardless of the financial resources available to attempt it.

Based on the lack of a clearly viable mitigation strategy, CALFED agencies concluded that construction of LBG would violate a CALFED solution principle by resulting in significant redirected impacts, and should be eliminated from further consideration as part of the Program. CALFED acknowledges that the remaining off-aqueduct surface storage alternatives are significantly more expensive than LBG and may not be financially feasible. This was considered in the decision to screen out LBG, but CALFED agencies judged that this concern did not outweigh the risks of significant unmitigable impacts associated with the project.

Your letter also states a concern that potential LBG impacts are well documented due to the extensive evaluations already completed and may not be significantly different than impacts that will be identified at other offstream reservoir sites upon further evaluation. CALFED's initial surface storage screening process was based on available information for the fifty-two potential reservoir sites considered; more information was available for some sites than others. Since CALFED was seeking to eliminate those reservoir sites that are clearly impracticable for the Program, alternatives with known conflicts with CALFED's restoration programs, solution principles, and policies were eliminated. Other sites with little available cost, benefit, or environmental impact information were retained, because there was no clear documented reason for eliminating them from consideration. As more detailed information is developed, some of these sites may also be eliminated due to conflicts with CALFED's restoration programs, solution principles, and policies. CALFED agencies will seek to apply equitable screening criteria to all storage sites under consideration as additional information becomes available.

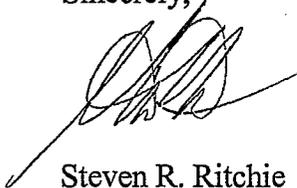
At this time, the costs and benefits of potential south-of-Delta off-aqueduct surface storage alternatives are relatively more uncertain than other types of surface storage under consideration by CALFED. Future progress and experience with implementation of other parts of the Program, such as south Delta conveyance improvements, the Environmental Water Account, and south of Delta groundwater conjunctive use, will allow CALFED to better define the potential benefits of off-aqueduct surface storage. In the near term, CALFED intends to focus available resources for improving water supply reliability on

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upstream of Delta and in- or near- Delta surface storage opportunities, as well as conveyance improvements, groundwater banking and conjunctive use opportunities, water use efficiency improvements, water quality improvement projects, and other water management tools.

Thank you again for your comments. If you have any questions about this response, please contact me at (916) 657-2666 or have your staff contact Mark Cowin at (916) 653-2986.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Ritchie", with a long horizontal stroke extending to the left.

Steven R. Ritchie
Acting Executive Director

cc: Senator Jim Costa
CALFED Policy Group