

CALFED Bay-Delta Program

December 1999 Progress Report

Executive Summary

The CALFED Bay-Delta Program, a consortium of 15 State and federal agencies with responsibilities or authority for natural resources in the Sacramento - San Joaquin Delta, is developing integrated solutions to four sets of interrelated resource management problems focused on the Delta. These four sets of problems relate to water quality protection, ecosystem health, water supply reliability, and levee system integrity.

This report is submitted to update the Legislature on CALFED activities and in response to Assembly Joint Resolution 30 (Resolution Chapter 100, Statutes of 1995). This report supplements earlier reports from the CALFED Bay-Delta Program:

Phase I Final Documentation Report, September 1996

Phase II Interim Report, March 1998

June 1998 Progress Report

December 1998 Progress Report

July 1999 Progress Report

From July through December 1999, CALFED held sixteen formal public hearings on the draft programmatic EIS/EIR released in June 1999 and received a little more than 10,000 separate comments on the EIS/EIR and associated program plans.

CALFED coordinated over \$16 million in funding for 31 ecosystem restoration projects with multiple benefits for the Bay-Delta system. In addition to improving habitat for fish and wildlife, the projects include local watershed management activities, fish screens in the Sacramento Valley, water quality monitoring and studies, and studies of invasive species entering the system through ship ballast water. Funding for the projects was authorized by the federal California Bay-Delta Environmental Enhancement Act and California Proposition 204.

CALFED continued developing additional details of the proposed program. Significant development occurred for water management approaches for water year 2000, for the first seven years of program implementation (Stage 1), and for the long-term program. Additionally, significant development occurred on topics related to program governance (that is, overall program management and control).

The Bay-Delta Advisory Committee, a federally-chartered committee providing advice to the CALFED agencies, continued its regular advisory meetings. CALFED agencies moved to a public meeting structure, including participation by BDAC, for its regular meetings to oversee development of the long-term CALFED Bay-Delta Program.

Funding continued to be available for CALFED activities. Congress and the Legislature appropriated funds to support the long-term CALFED Bay-Delta Program planning effort.

CALFED BAY-DELTA PROGRAM

DECEMBER 1999 PROGRESS REPORT

BACKGROUND

The Bay-Delta system is an intricate web of waterways at the junction of San Francisco Bay and the Sacramento and San Joaquin rivers and the watershed that feeds them. The Bay-Delta is critically important to California's natural environment and economy, supplying drinking water for two-thirds of the people in California and irrigation water for more than 7 million acres of productive farmland. It also supports 750 fish and wildlife species. In 1994, State and federal agencies agreed to work together, as CALFED, to address several interrelated Bay-Delta system issues concerning environmental health, levee integrity, water quality, and water supply reliability.

CALFED has three basic functions. First, CALFED provides a forum for coordination between State and federal water project operations with environmental requirements under the Endangered Species Acts, the Clean Water Act, and the Central Valley Project Improvement Act. Second, CALFED coordinates ecosystem restoration activities funded under the federal California Bay-Delta Environmental Enhancement Act and Proposition 204. Third, CALFED is developing a long-term plan to restore in the Bay-Delta system. In all three functions, CALFED is working with representatives from California's environmental, urban and agricultural communities.

In June 1999, CALFED released for public review a draft programmatic environmental impact statement/environmental impact report that outlined the CALFED Bay-Delta Program's proposed long-term plan. The CALFED plan – or “draft preferred program alternative” – is a 30-year program to restore ecological health in the Bay-Delta, provide a reliable water supply for all uses, and improve water quality in California. A final plan is expected to be released in spring 2000.

PROGRAM ACTIVITIES AND DEVELOPMENTS – JULY THROUGH DECEMBER 1999

Ecosystem Restoration Activities.

CALFED has coordinated funding for 31 restoration projects with multiple benefits for the Bay-Delta system. In addition to improving habitat for fish and wildlife, the projects include local watershed management activities, fish screens in the Sacramento Valley, water quality monitoring and studies, and studies of invasive species entering the system through ship ballast water.

Funding for the projects totals over \$16 million and was authorized by the federal California Bay-Delta Environmental Enhancement Act and California Proposition 204. Projects were selected from a pool of 226 proposals submitted to CALFED in April. The proposals were reviewed and evaluated by an scientific review panel. The panel's recommendations were then reviewed by the Ecosystem Roundtable, Bay-Delta Advisory Council and CALFED Policy Group. Additional funds for environmental water acquisitions, South Delta planning, and science and monitoring were also approved.

To date, over \$243 million in state, federal and stakeholder funds and cost-sharing agreements have been awarded for 272 projects that include improved habitat for fish and wildlife, watershed stewardship, fish screens and water diversions, environmental education programs, water quality studies, pollution prevention programs, and wildlife-friendly farming practices.

As CALFED moves closer to issuing a final plan for the Bay-Delta system, priority was given to activities that meet the long-term ecosystem restoration goals of the program and provide critical scientific information to the Program. Many of the approved projects are subsequent phases of projects funded by CALFED in past years. Additional details and examples are provided in Appendix A, *Restoring the Environment: Investing in the Future: 1999 Annual Report*.

Development of the long-term CALFED Bay-Delta Program.

CALFED has continued development of the long-term program, with particular emphasis on the following activities.

Release of draft programmatic EIS/EIR, June 1999. In June 1999, CALFED released a draft programmatic environmental impact statement/environmental impact report (EIS/EIR) that describes the major features of the "draft preferred program alternative" and – as required by State and federal law – sets forth the anticipated environmental effects of the preferred alternative and other alternatives. Major features of the draft preferred program alternative include significant efforts in ecosystem restoration, levee integrity, water quality protection, and water supply management.

Public hearings and comments on the draft programmatic EIS/EIR. From June through September 1999, CALFED received public comment on the draft programmatic EIS/EIR. In August and September, CALFED held sixteen formal hearings throughout the State to obtain the comments and observations of California residents on the preferred alternative and on the environmental impact analysis. Public hearings were preceded by an hour-long presentation and question-and-answer period to provide the public with an opportunity to engage in dialog with CALFED and CALFED agency staff. Formal public hearing processes do not provide for a question-and-answer format. In addition to public hearings, written public comment was received until September 23, 1999. By the conclusion of the public comment period, CALFED received just over 10,000 separate comments. About 760 individuals presented oral testimony at one or more of the formal public hearings. CALFED received about 1,500 written comment

letters from individuals and organizations and an additional 6,600 form letters or pre-printed postcards.

Public hearings were held in the following locations:

Stockton CA, August 18th, 1999
San Bernardino CA, August 19th, 1999
Huntington Park CA, August 24th, 1999
Salinas CA, August 25th, 1999
Oakland CA, August 26th, 1999
Pasadena CA, August 31st, 1999
San Diego CA, September 1st, 1999
Costa Mesa CA, September 2nd, 1999
San Jose CA, September 7th, 1999
Antioch CA, September 8th, 1999
Santa Rosa CA, September 9th, 1999
Los Banos CA, September 13th, 1999
Visalia CA, September 14th, 1999
Chico CA, September 15th, 1999
Redding CA, September 21st, 1999
Sacramento CA, September 22nd, 1999

CALFED and CALFED agency staff are reviewing those comments and observations. The following topics appear repeatedly in the comments and observations:

Water conservation, ecosystem restoration efforts, water storage options, groundwater management, fresh water flows to San Francisco Bay, program financing, water use and needs forecasting, agricultural water use, water rights of areas of origin, water quality, water use in southern California, isolated facility, planning for growth, desalination, and potential third-party impacts.

The CALFED agency review will result in a formal response to all comments, as well as appropriate clarification of the environmental impact analysis and adjustments to the preferred alternative.

Water Supply Reliability. In August 1999, Governor Davis and Secretary Babbitt met and directed CALFED to focus on improving water supply reliability. CALFED has developed several sets of actions that will combine to make significant progress toward CALFED's goal of ensuring water supply reliability for urban, agricultural and environmental uses of the Bay-Delta system.

The first set of actions is the water operations plan for Water Year 2000 (October 1999 through September 2000). State and federal agencies are continuing to move forward on a Water Year 2000 Operations Plan that protects fish while minimizing impacts on water supply and water quality. CALFED has approved a comprehensive package of water supply projects and actions,

including a request for state permits for a joint point of diversion that would allow the federal Central Valley Project to use State Water Project pumping capacity to fill San Luis Reservoir; \$10 million for water acquisition projects; and \$2.5 million for water conservation and recycling pilot projects.

The second set of actions is a near-term Water Management Strategy framework, which includes the Environmental Water Account (EWA). This framework is intended to help guide water management during the first stage of program implementation, approximately 2000 through 2007. The goals of CALFED's water management program are to:

- Make progress towards ecosystem restoration by achieving recovery of species that are listed as threatened or endangered, such as Chinook salmon and Delta smelt.
- Achieve measurable improvements in drinking water quality for the 22 million Californians who get all or part of their drinking water from the Delta;
- Achieve measurable improvements in water supplies and reliability for urban and agricultural uses.

These near-term actions are further subdivided into "Early Stage 1 Actions," to take place in the first two to three years of program implementation, and "Later Stage 1 Actions," for the remainder of Stage 1 (the first seven years of program implementation). Additional detailed information is available in Appendix B, *CALFED Water Management Strategy: Preliminary Stage 1 Implementation Framework*, dated December 10, 1999.

The proposed Environmental Water Account would be an endowment of water and funding for fishery needs to reduce conflicts and improve water supply reliability by providing water users some assurance that no additional involuntary water reallocation will be required for fishery purposes. The EWA would work in concert with CALFED's Ecosystem Restoration Program to move the Delta's threatened and endangered species towards recovery.

The third set of actions is a long-term decision-making framework for evaluating the effectiveness of alternative combinations of water management tools (including storage) in accomplishing CALFED's objectives. This Water Management Strategy Evaluation Framework will be further developed in early 2000 to help CALFED decision-makers complete the Water Management Strategy. Development of water storage facilities remains a contentious issue in California. CALFED's Integrated Storage Investigation (ISI) is designed to help address this issue by providing information to help determine the appropriate role of groundwater and surface water storage in CALFED's long-term Water Management Strategy. The ISI also helps to coordinate and facilitate evaluations of specific storage opportunities. Considerable progress has been achieved on the ISI objectives. State funding for the ISI (\$10 million in fiscal year 1999-2000 and \$20 million projected for FY 2000-2001) is dedicated to multi-year studies of off-stream groundwater and surface storage projects.

Reports on several items in the ISI have been completed:

- **Economic Evaluation of Water Management Alternatives.** This is a screening report that provides information about the mix of supply enhancement and demand reduction measures that would be selected under a least-cost planning approach. Completed in October.
- **Riverine Processes Study.** This is a study to help assess impacts of any change in diversions from the Sacramento River, and identify a range of flows that will restore a functioning riparian ecosystem in the river between Red Bluff and Chico Landing. Completed in December.
- **Hydroelectric Facilities Re-operation Investigation.** This study concludes that the potential for local benefits for water supply reliability and fish habitat are much greater than for large-system-wide benefits. Completed in December.
- **Reservoir Site Screening Study.** This is an initial report documenting the process CALFED used to narrow its evaluation from 56 to 12 potential surface reservoir sites. Initial report completed in December. The evaluation will continue in 2000.
- **Conjunctive Use Site Appraisals.** Conjunctive use is the operation of groundwater basins in combination or "conjunction" with surface water storage and conveyance. The appraisals are preliminary studies of groundwater conjunctive use sites and a work plan to help identify the proper role of conjunctive use and to evaluate conjunctive use and groundwater banking opportunities. Completed in December. Early next year, CALFED will issue solicit applications for funding for locally-sponsored conjunctive use pilot projects.

A progress report on offstream surface storage north of the Delta will be issued in February 2000. A feasibility study on raising Shasta Dam by 6.5 feet, conducted by the U.S. Bureau of Reclamation, will continue through 2000.

Future Decision-Making and Governance. CALFED agencies are working closely with stakeholders to develop a proposed structure for future decision-making. As CALFED prepares to move from planning to implementation, the Program needs to ensure that all parties are heard.

One structure under discussion, a new State-federal commission, would include substantial participation from the public, as well as continued cooperation and collaboration from the State-federal partnership, and tribal representation. This commission could serve as a decision-making body with program and budget authority. In this proposal, implementation of program actions would be delegated to existing or new State and federal agencies.

Other Activities.

Legislative Hearings. On August 26, 1999, the Senate Select Committee on the CALFED Water Program held an informational hearing and received testimony on recent developments in the program from Steve Ritchie, acting CALFED executive director.

Bay-Delta Advisory Council meetings. The Bay-Delta Advisory Council (BDAC) is an advisory committee chartered under the Federal Advisory Committee Act (FACA, P.L. 92-463, as amended) to provide advice to State and federal agencies on the development of long-term solutions to address the underlying causes of problems affecting the Bay-Delta system. BDAC continued its regular public meetings to hear reports on the development of the CALFED Bay-Delta Program and to provide advice, comment, and observation on program objectives and alternatives. Additionally, the Ecosystem Roundtable, a subcommittee of BDAC, continued its public meetings to review plans and to offer comment and advice on expenditure of ecosystem restoration funds made available to CALFED from the federal government (under the California Bay-Delta Environmental Enhancement Act (Title XI of Public Law 104-333) and the State government (Proposition 204, 1996). The Delta Drinking Water Council, another subcommittee of BDAC, began public meetings in November to offer comment and advice on approaches for addressing Delta water quality issues, particularly focused on drinking water concerns that are particular to the Delta.

CALFED Policy Group meetings. The CALFED Policy Group, a committee of CALFED agency executives, continued their series of meetings to coordinate development of the long-term CALFED Bay-Delta Program. Beginning in August, these meetings were moved to a public setting, and now include participation by members of BDAC.

Extension of Bay-Delta Accord. The Bay-Delta Accord is an agreement (formally, "Principles for Agreement on Bay-Delta Standards between the State of California and the Federal Government") between State and federal agencies and urban, agricultural, and environmental interests for implementation of an interim Bay-Delta protection plan. State and federal officials agreed to extend the 1994 Bay-Delta Accord until execution of the Record of Decision and Certification of the CALFED Program's Final Programmatic Environmental Impact Statement/Environmental Impact Report (expected in June 2000) but no later than September 15, 2000.

PROGRAM FUNDING

State Budget Act of 1999. On June 29, 1999, the Governor signed the Budget Act of 1999 appropriating State funds for Fiscal Year 1999-2000 (SB 160; Chapter 50, Statutes of 1999). The Budget Act included \$8 million for support for the CALFED Bay-Delta Program and \$10 million for CALFED's Integrated Storage Investigation.

Energy and Water Development Appropriations Act for Federal Fiscal Year 2000. On September 29, 1999, the President signed the Energy and Water Development Appropriations Act for Federal Fiscal Year 2000 (H.R. 2605, Public Law 106-60). This appropriation provides \$60 million to the U.S. Department of Interior for CALFED Bay-Delta Program activities. \$30 million is available for ecosystem restoration activities under the California Bay-Delta Environmental Enhancement Act (Title XI of Public Law 104-333) and \$30 million is available for other CALFED activities.

Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act. On October 7, 1999, the Governor signed the Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act (AB 1584; Chapter 725, Statutes of 1999). This measure is a \$1.97 billion general obligation bond act that will appear on the March 2000 Primary Election ballot as Proposition 13. This bond act would authorize \$250 million in direct funding for CALFED Bay-Delta Program actions and an additional \$180 million in closely-related funding for the Interim Water Reliable Supply and Water Quality Infrastructure and Management Program.

PLANNED ACTIVITIES.

Current schedules call for CALFED to complete work on the programmatic environmental impact statement/environmental impact report and to file the require documents to become effective in June 2000. At that point, CALFED will move into implementation of the preferred program alternative.