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the success of the Water Use Efficiency Program will be measured by the implementation of actions, not by the amount of water saved through those actions.

- The Framework indicates that CALFED will require the adoption of a comprehensive and progressive water wheeling policy that will require the enactment of legislation governing access to and the cost of conveyance facilities. The ROD/NOD should make clear that the legislation will apply to statewide and regional conveyance facilities. The ROD/NOD should also make clear that CALFED's comprehensive and progressive wheeling policy is intended to facilitate and encourage water transfers at all levels, not just at the State Water Project (SWP) and Central Valley Project (CVP) contractor level.
- The Framework states that CALFED will convene a panel of stakeholders to draft recommendations for a streamlined transfer approval process by December 2000. Our agency is very interested in efforts to streamline the transfer permitting process and we wish to have a representative from our agency serve on the panel.
- The Framework indicates that expansion of the Banks Pumping Plant capacity to 8,500 cfs and ultimately to 10,300 cfs will improve the reliability of SWP supplies, allow the diversion of a larger portion of supplies from the Delta during periods of good water quality, and provide increased opportunities to convey water for the CVP, Environmental Water Account (EWA) and water transfers. However, the extent to which these benefits occur will depend on how the expanded pumping capacity is operated. The ROD/NOD should incorporate a specific operating plan for the Banks Pumping Plant, at 8,500 cfs and 10,300 cfs, that accomplishes the Framework's stated objectives. In the event the operating plan cannot be developed by the time of the ROD/NOD, CALFED should include in the ROD/NOD a binding commitment to work with water users to develop, early in Stage 1, an operating plan for the Banks Pumping Plant that improves the quality and availability of SWP supplies and provides increased opportunities for conveying other water supplies, including water transfers. The ROD/NOD should acknowledge that the current lack of dependable Delta conveyance capacity is a barrier to water transfers that must be addressed if CALFED is to achieve its goal of facilitating an efficient water transfer market.
- The Framework states that the SWP and CVP will receive full Endangered Species Act (ESA) assurances for four years, with the expectation that the assurances will be extended periodically thereafter. The ROD/NOD should clearly define the circumstances for extension or non-extension of the ESA assurances. Short of a jeopardy situation for fish, the same terms for assurances should apply for the remainder of the CALFED Program.
- The ROD/NOD should clarify that SWP and CVP supply and water quality impacts resulting from actions taken under the ESA, including impacts from "take" limitations, will be covered using assets from the Environmental Water Account (EWA). The

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ROD/NOD should also state that use of the EWA will not impose unmitigated water quality, water supply or financial impacts on water users.

- The Framework does not discuss what level of regulatory assurances will be provided to the SWP and CVP if the assets targeted for the EWA fail to produce an average of 380,000 acre-feet. The ROD/NOD should specify that in that case the SWP and CVP would retain full ESA assurances and CALFED would seek Tier 3 assets to supplement the EWA.
- The ROD/NOD should fully describe the scope of the regulatory coverage that will be provided through implementation of the Multi-Species Conservation Strategy (MSCS), EWA and Ecosystem Restoration Program (ERP) and should list those projects contemplated for regulatory coverage. The ROD/NOD should also specify that the CALFED agencies will look to the MSCS as the reasonable and prudent alternative for future Section 7 consultations.
- The Framework indicates that CALFED is working with the federal agencies to develop a memorandum of understanding (MOU) for securing permits under Section 404 of the Clean Water Act. The MOU will outline a programmatic "alternatives analysis" process which will support any project-specific determination. We are concerned this post-ROD/NOD alternatives analysis process could result in modifications to the Framework, which itself outlined the nature and extent of alternatives to storage and conveyance improvements. To avoid this, the ROD/NOD must include a programmatic finding of need for the storage and conveyance improvements identified in the Framework and must make clear that individual projects will not undergo a separate LEDPA ("least environmental damaging practicable alternative") analysis under Section 404 of the Clean Water Act.
- The Framework identifies water quality exchanges between the San Joaquin Valley and Southern California interests as one means of achieving CALFED's public health equivalency goals for drinking water quality. Our agency is concerned that no mechanism exists to ensure that the benefits of these water quality exchanges, or other water quality measures, will be distributed to the agencies that fund the measures through their water purchases. This is an important issue that will affect whether CALFED can achieve its goal of providing good water quality for the millions of Californians who rely on the Bay-Delta for all or a part of their drinking water. The ROD/NOD should acknowledge that mechanisms must be developed to ensure that the water quality improvements and other benefits of a Bay-Delta solution are distributed to those agencies that pay for the improvements, consistent with the "beneficiaries pay" principle.
- The June 1999 Phase 2 Report indicated that CALFED would develop interim water quality milestones to measure progress toward its drinking water quality objectives. We found no mention of these targets in the Framework. CUWA has previously

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recommended Stage 1 (2007) milestones of 100 – 150 µg/L for bromide and 3.5 mg/L for total organic carbon. The uncertainty surrounding future drinking water regulations and water treatment technology does not eliminate the need for interim milestones – it simply means that the milestones may need to be revised as additional information becomes available. It is important that the ROD/NOD identify interim milestones that are tied to agencies' ability to cost-effectively comply with drinking water regulations. We recommend that CALFED incorporate the interim milestones recommended by CUWA in the ROD/NOD, with the caveat that the milestones may be adjusted based on future health effects research, drinking water regulations and the developments in drinking water treatment technology.

- The Framework recommends the creation of a new public agency to oversee the implementation of the CALFED Program. We concur with this recommendation but are concerned that duties of the agency proposed in the Framework consist largely of coordinating and reporting on Program implementation. We believe that the CALFED agencies will need to delegate additional responsibilities to the new public agency to achieve unified and consistent implementation of the CALFED Program. That said, we consider the CALFED governance structure to be an issue most appropriately addressed through the state and federal legislative process. We therefore recommend that the ROD/NOD not attempt to address the CALFED governance structure in detail, beyond the general recommendation to establish a new public agency to replace the existing interim governance structure.

While these comments represent our reaction to some of the specifics of the Framework, we want to emphasize that in general the Framework is a significant step toward a balanced and practical Bay-Delta solution. The Water Authority commends the participants in the federal-state discussions that led to the Framework. We also appreciate the hard work that you and your staff have dedicated to this effort. We remain committed to working with you in turning the Framework into actions that will achieve CALFED's goals.

Sincerely,



Maureen A. Stapleton
General Manager

Cc: Mary D. Nichols, Secretary, California Resources Agency
David J. Hayes, Deputy Director, U.S. Department of the Interior