

DEPARTMENT OF WATER RESOURCES

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JUL 28 1999

Mr. Kirk Rodgers
Acting Regional Director
Mid-Pacific Regional Office
Bureau of Reclamation
U. S. Department of the Interior
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Dear Mr. Rodgers:

This follows up on previous discussions we have had regarding participation by the State Water Project during 1999 in federal actions to protect and enhance the Delta ecosystem. Although this has been a wet year, both the Central Valley Project and the SWP have experienced significant impacts to water supply. For the Department of Water Resources to ensure there are no significant impacts to SWP contractors, I request that the federal government provide 75,000 acre-feet of water to the SWP and that we begin immediately to discuss development of an operations plan for next year. In addition, this letter: (1) describes the effects of export curtailments undertaken during spring 1999 by the SWP, (2) provides our initial estimates of the resultant impacts on SWP water supplies, and (3) emphasizes the need to develop a process and plan to mitigate these water supply impacts.

Export Curtailments in Spring 1999

The uncertainty associated with implementing the Central Valley Project Improvement Act and the Bay-Delta Accord, as well as the large number of delta smelt found in the south Delta have made this year particularly challenging for operating the SWP. Beginning April 17 and in close coordination with the U.S. Bureau of Reclamation, SWP exports were voluntarily reduced to provide the conditions called for in CVPIA Delta Action #1 and recommended in the biological opinion for delta smelt. On May 18, exports were scheduled to begin increasing to the maximum allowable level as specified by CVPIA Delta Action #5. These increases, however, could not be taken as scheduled due to additional restrictions recommended by the U.S. Fish and Wildlife Service to protect delta smelt. These restrictions ceased on July 1. The SWP undertook these export curtailments under the condition that the federal government, per federal policy established by the CVPIA and the Accord, would assure there would be no significant impact to SWP water supplies.

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The total amount of export curtailment for the SWP and the CVP from April 17 through July 1 is 505,000 acre-feet. This is an extraordinary amount. The export reductions caused immediate conveyance difficulties and threatened to drop San Luis Reservoir to an extremely low level by the end of August. The Department, Reclamation, FWS, Department of Fish and Game and water users worked closely together to avert these immediate problems. We must now focus on reducing the additional risk this curtailment has placed upon next year's water supplies.

SWP Water Supply Impacts

Our records indicate the SWP portion of the total curtailment is approximately 324,000 acre-feet. Of this amount, 63,000 acre-feet is related to the implementation of CVPIA Delta Actions #1 and #5; 26,000 acre-feet is related to reductions recommended in the delta smelt biological opinion; and 235,000 acre-feet is related to protecting delta smelt from being taken at the Banks Pumping Plant fish salvage facilities. Department and Reclamation staff should review the calculations assigning the curtailment to these three categories and mutually resolve any discrepancies.

The Department has analyzed the potential of the curtailment to reduce next year's SWP water supply. This analysis includes the 50,000 acre-feet of water acquired by Reclamation from the Stanislaus River to improve in-river conditions for steelhead and help repay SWP water supply impacts. The studies conclude next year's SWP Entitlement Water delivery would be impacted only under the driest conditions. Even though there is only a 10 percent chance of significant reductions, our analysis focuses on the increment of additional risk this year's curtailment has placed upon SWP water supplies next year. It does not address the probability of full Entitlement Water deliveries being made next year or the potential for meeting all of the demand for Interruptible Water given the increased uncertainty for exports during this fall and winter. The reliability of the SWP to meet full demands has decreased over the past few years due to the interference of the Chinese mitten crab with the operation of the export facilities and potential export reductions in the fall and winter for newly listed fish species. In general, the higher the storage in San Luis Reservoir at the beginning of the water year, the greater the assurance to SWP contractors that demands for that year will be met.

The studies also indicate that delivery of SWP Interruptible Water supply this winter has been jeopardized. Impacts to the availability and delivery of SWP Interruptible Water need to be avoided. Interruptible Water has a high delivery

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priority under the SWP water supply contracts and is available to all SWP contractors. It is a predominant source of water during the wet winter months to fill groundwater storage and offstream storage reservoirs in SWP service areas. It is also used to pre-irrigate croplands, preserving groundwater supplies for dry periods. The coming winter is particularly important for Metropolitan Water District of Southern California, which plans to take Interruptible Water to help fill its soon-to-be-completed Eastside Reservoir. Filling Eastside Reservoir will be done over the next few years and will provide southern California water users with much needed emergency storage and dry-year supplies.

In our analysis we have compared two studies. The base study assumes the spring 1999 export curtailments do not occur. The other study assumes they do. This second study also assumes the Stanislaus River water acquisition is implemented, allowing a corresponding reduction in releases from Oroville Reservoir by the end of September. We conclude SWP entitlement deliveries next year would not be significantly reduced as a result of this year's curtailments in nine out of ten years. Interruptible Water supply, unfortunately, has a greater chance of significant reductions. A reduction in Interruptible Water supply that is larger than 75,000 acre-feet has a 40% chance of occurring next year; in fact, the reduction could be as high as 130,000 acre-feet.

Water Supply Impact Mitigation

Since the signing of the Bay-Delta Accord in 1994, parties have disagreed over the actions to which the federal government committed to assure no significant impact to water supply would result from ESA take limitations. From 1995 through 1998, we were able to avoid this issue by recovering water supply using operational flexibility. We appreciate the commitment of Reclamation and other CALFED agencies to assist in developing and implementing a plan for recovering some of this curtailment using the operational flexibility of the projects. The problem facing us this year is that very little flexibility is left. Actions that are currently under consideration may not be possible due to the associated impacts or the length of time required for approval.

While the Department will continue to work aggressively and in close coordination with CALFED agencies and stakeholders to implement actions using the available operational flexibility of the projects, we request the federal government provide 75,000 acre-feet of additional supply for the SWP and begin steps toward securing this water as soon as possible.

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This water could be provided in several ways and, due to conveyance limitations, should focus on securing supply south of the Delta. It can be done via options for supply next year or purchases of water for delivery this year. It has the potential of contributing to an Environmental Water Account next year, if it is not used for water supply.

Securing this water for the SWP will minimize the potential reduction to next year's Interruptible Water supplies and Entitlement Water deliveries. There is still a low-probability risk of impacts. Therefore, we also request that Reclamation commit to and develop a plan for restoring any water supply lost to the SWP due to this year's curtailments if next year is critically dry. I believe that working together we can develop an acceptable recovery plan.

Everyone involved in the 1999 operations agrees that a plan must be developed in advance of next year's operations, particularly for the April/May export curtailment and unexpected circumstances such as we experienced this year. I suggest we, along with others as appropriate, begin such discussions very soon, with a goal of having a program in place by the end of this year that incorporates 1999 recovery measures and prospects for a year 2000 Environmental Water Account.

Please call me at (916) 653-7007 to schedule a time for us to begin discussions on the 1999 recovery plan and the year 2000 operations plan.

Sincerely,



Thomas M. Hannigan
Director

cc: Mr. Michael Spear, Regional Director
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