



MEMORANDUM

TO: SLDMWA Water Resources Committee Members and Alternates

FROM: Scott Petersen, Water Policy Director

DATE: July 10, 2023

RE: Update on Water Policy/Resources Activities

Background

This memorandum is provided to briefly summarize the current status of various agency processes regarding water policy activities, including but not limited to the (1) Reinitiation of Consultation on Long-Term Operations of the Central Valley Project and State Water Project, including environmental compliance; (2) State Water Resources Control Board action; (3) San Joaquin River Restoration Program; (4) Delta conveyance; (5) Reclamation action; (6) Delta Stewardship Council action; (7) San Joaquin Valley Water Blueprint and San Joaquin Valley Water Collaborative Action Plan.

Policy Items

Reinitiation of Consultation on Long-Term Operations of the Central Valley Project and State Water Project

In August 2016, the Bureau of Reclamation and California Department of Water Resources (DWR) requested reinitiation of consultation with NOAA Fisheries, also known as National Marine Fisheries Service (NMFS) and the U.S. Fish and Wildlife Service (FWS) due to multiple years of drought, low populations of listed species, and new information developed as a result of ongoing collaborative science efforts over the last 10 years.

On Jan. 31, 2019, Reclamation transmitted its Biological Assessment to the Services. The purpose of this action is to continue the coordinated long-term operation of the CVP and SWP to optimize water supply delivery and power generation consistent with applicable laws, contractual obligations, and agreements; and to increase operational flexibility by focusing on nonoperational measures to avoid significant adverse effects to species.

The biological opinions carefully evaluated the impact of the proposed CVP and SWP water operations on imperiled species such as salmon, steelhead and Delta smelt. FWS and NMFS documented impacts and worked closely with Reclamation to modify its proposed operations to minimize and offset those impacts, with the goals of providing water supply for project users and protecting the environment.

Both FWS and NMFS concluded that Reclamation's proposed operations will not jeopardize threatened or endangered species or adversely modify their critical habitat. These conclusions were reached for

several reasons – most notably because of significant investments by many partners in science, habitat restoration, conservation facilities including hatcheries, as well as protective measures built into Reclamation's and DWR's proposed operations.

On Oct. 21, 2019, FWS and NMFS released their biological opinions on Reclamation's and DWR's new proposed coordinated operations of the CVP and SWP.

On Dec. 19, 2019, Reclamation released the final Environmental Impact Statement analyzing potential effects associated with long-term water operations for the CVP and SWP.

On Feb. 18, 2020, Reclamation approved a Record of Decision that completes its environmental review for the long-term water operations for the CVP and SWP, which incorporates new science to optimize water deliveries and power production while protecting endangered species and their critical habitats.

On January 20, 2021, President Biden signed an Executive Order: “Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis”, with a fact sheet¹ attached that included a non-exclusive list of agency actions that heads of the relevant agencies will review in accordance with the Executive Order. Importantly, the NOAA Fisheries and U.S. Fish and Wildlife Service Biological Opinions on the Long-Term Operation of the Central Valley Project and State Water Project were both included in the list of agency actions for review.

On September 30, 2021, Reclamation Regional Director Ernest Conant sent a letter to U.S. FWS Regional Director Paul Souza and NMFS Regional Administrator Barry Thom requesting reinitiation of consultation on the Long-Term Operation of the CVP and SWP. Pursuant to 50 CFR § 402.16, Reclamation indicated that reinitiation is warranted based on anticipated modifications to the Proposed Action that may cause effects to listed species or designated critical habitats not analyzed in the U.S. Fish and Wildlife Service (USFWS) and National Marine Fisheries Service (NMFS) Biological Opinions, dated October 21, 2019. To address the review of agency actions required by Executive Order 13990 and to voluntarily reconcile CVP operating criteria with operational requirements of the SWP under the California Endangered Species Act, Reclamation and DWR indicated that they anticipate a modified Proposed Action and associated biological effects analysis that would result in new Biological Opinions for the CVP and SWP.

Following this action, on October 20, 2021, the SLDMWA sent a letter to Reclamation Regional Director Ernest Conant requesting participation in the reinitiation of consultation pursuant to Section 4004 of the WIIN Act and in the NEPA process as either a Cooperating Agency or Participating Agency.

On February 26, 2022, the Department of the Interior released a Notice of Intent To Prepare an Environmental Impact Statement (EIS) and Hold Public Scoping Meetings on the 2021 Endangered Species Act Reinitiation of Section 7 Consultation on the Long-Term Operation of the Central Valley Project and State Water Project². In response to this, on March 30, 2022, the SLDMWA submitted a comment letter highlighting actions for Reclamation to consider during preparation of the EIS.

¹ <https://www.whitehouse.gov/briefing-room/statements-releases/2021/01/20/fact-sheet-list-of-agency-actions-for-review/>

² <https://www.govinfo.gov/content/pkg/FR-2022-02-28/pdf/2022-04160.pdf>

During May 2022, Reclamation issued draft copies of the Knowledge Base Papers for the following management topics and requested supplementary material review and comments, to which the Authority submitted comment letters in June:

1. Spring-run Juvenile Production Estimate- Spring-run Survival Knowledge Base Document, May 2022
2. Steelhead Juvenile Production Estimate-Steelhead Survival Knowledge Base Document, April 2022
3. Old and Middle River Reverse Flow Management – Smelt, Chinook Salmon, and Steelhead Migration and Survival Knowledge Base Document, May 2022
4. Central Valley Tributary Habitat Restoration Effects on Salmonid Growth and Survival Knowledge Based Paper, March 2022
5. Delta Spring Outflow Management Smelt Growth and Survival Knowledge Base Document, May 2022
6. Pulse Flow Effects on Salmonid Survival Knowledge Base Document, May 2022
7. Summer and Fall Habitat Management Actions – Smelt Growth and Survival Knowledge Base Document, May 2022
8. Shasta Cold Water Pool Management – End of September Storage Knowledge Base Document, May 2022

Subsequent to the Knowledge Base Paper review, a Scoping Meeting was held, to which Water Authority staff provided comments, resulting in the release of a Scoping Report³ by Reclamation in June 2022.

On October 14, 2022, Reclamation released an Initial Alternatives Report (IAR), which Authority staff is reviewing and coordinating with member agencies for potential engagement with Reclamation regarding the alternatives presented in the report.

On May 16, 2023, Reclamation provided an administrative draft copy of the Proposed Action, titled “State and Federal Cooperating Agency Draft LTO Alternative” to agencies that have executed an MOU with Reclamation on engagement. Authority staff is reviewing the document and has identified a few items to provide feedback to Reclamation, in coordination with member agencies and other CVP contractors.

On June 30, 2023, Reclamation released a draft Qualitative Biological Assessment for review by agencies that have executed an MOU with Reclamation on engagement, though Reclamation is not accepting formal comments. Note that this release does not initiate formal ESA consultation and is being provided to assist the fishery agencies in setting up their documents and resources for the formal consultation, which we expect to begin in late September/early October.

Current Milestones

- June 2023 – Public Draft EIS/Qualitative Biological Assessment
 - The public draft EIS will be the avenue for comments to Reclamation
 - Cooperating agencies will receive an administrative draft of the EIS
- September 2023 – Scheduled release of Quantitative Biological Assessment
- February 2024 – Record of Decision

³ <https://www.usbr.gov/mp/bdo/docs/lto-scoping-report-2022.pdf>

Exploratory Modeling

Concurrent with the development of the EIS and BA, Reclamation is conducting Exploratory Modeling to assist in the development of the Proposed Action and Quantitative Biological Assessment. As a part of this work, the Benchmark model has been updated, with further updates to come. Importantly, the CalSim modeling is transitioning from CalSim2 to CalSim3, which may have some implications that need to be analyzed for potential water supply impacts.

State Water Resources Control Board (State Water Board) Activity

Bay Delta Water Quality Control Plan Update

Background

The State Water Board is currently considering updates to its 2006 Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary (“Bay Delta Plan”) in two phases (Plan amendments). The first Plan amendment is focused on San Joaquin River flows and southern Delta salinity (“Phase I” or “San Joaquin River Flows and Southern Delta Salinity Plan Amendment”). The second Plan amendment is focused on the Sacramento River and its tributaries, Delta eastside tributaries (including the Calaveras, Cosumnes, and Mokelumne rivers), Delta outflows, and interior Delta flows (“Phase II” or “Sacramento/Delta Plan Amendment”).

During the December 12, 2018 Water Board Meeting, the Department of Water Resources (“DWR”) and Department of Fish and Wildlife presented proposed “Voluntary Settlement Agreements” (“VSAs”) on behalf of Reclamation, DWR, and the public water agencies they serve to resolve conflicts over proposed amendments to the Bay-Delta Plan update.⁴ The State Water Board did not adopt the proposed VSAs in lieu of the proposed Phase 1 amendments, but as explained below, directed staff to consider the proposals as part of a future Delta-wide proposal.

Phase 1 Status: The State Water Board adopted a resolution⁵ to adopt amendments to the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary and adopt the Final Substitute Environmental Document during its December 12, 2018 public meeting.

Most recently, on July 18, 2022, the State Water Resources Control Board issued a Notice of Preparation (NOP)⁶ and California Environmental Quality Act (CEQA) Scoping Meeting for the Proposed Regulation to Implement Lower San Joaquin River Flows (LSJR) and Southern Delta Salinity Objectives in the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta (Bay-Delta Plan).

The purpose of the NOP is: (1) to advise responsible and trustee agencies, Tribes, and interested organizations and persons, that the State Water Board or Board will be the lead agency and will prepare

⁴ Available at <https://water.ca.gov/-/media/DWR-Website/Web-Pages/Blogs/Voluntary-Settlement-Agreement-Meeting-Materials-Dec-12-2018-DWR-CDFW-CNRA.pdf>.

⁵ Available at https://www.waterboards.ca.gov/board_decisions/adopted_orders/resolutions/2018/rs2018_0059.pdf.

⁶ Available at https://www.waterboards.ca.gov/public_notices/notices/20220715-implementation-nop-and-scoping-dwr-baydelta.pdf

a draft EIR for a proposed regulation implementing the LSJR flow and southern Delta salinity components of the 2018 Bay-Delta Plan, and (2) to seek input on significant environmental issues, reasonable alternatives, and mitigation measures that should be addressed in the EIR. For responsible and trustee agencies, the State Water Board requests the views of your agency as to the scope and content of the environmental information related to your agency's area of statutory responsibility that must be included in the draft EIR.

In response to the release of the NOP, the Water Authority and member agencies provided scoping comments⁷.

Phase 2 Status: In the State Water Board's resolution adopting the Phase 1 amendments, the Water Board directed staff to assist the Natural Resources Agency in completing a Delta watershed-wide agreement, including potential flow and non-flow measures for the Tuolumne River, and associated analyses no later than March 1, 2019. Staff were directed to incorporate the Delta watershed-wide agreement as an alternative for a future, comprehensive Bay-Delta Plan update that addresses the reasonable protection of beneficial uses across the Delta watershed, with the goal that comprehensive amendments may be presented to the State Water Board for consideration as early as possible after December 1, 2019.

On March 1, 2019, the California Department of Water Resources and the Department of Fish and Wildlife submitted documents⁸ to the State Water Board that reflect progress since December to flesh-out the previously submitted framework to improve conditions for fish through targeted river flows and a suite of habitat-enhancing projects including floodplain inundation and physical improvement of spawning and rearing areas.

Since the March 1 submittal, work has taken place to develop the package into a form that is able to be analyzed by State Water Board staff for legal and technical adequacy. On June 30, 2019, a status update with additional details was submitted to the Board for review. Additionally, on February 4, 2020, the State team released a framework for the Voluntary Agreements to reach "adequacy", as defined by the State team.

Further work and analysis is needed to determine whether the agreements can meet environmental objectives required by law and identified in the State Water Board's update to the Bay-Delta Water Quality Control Plan.

Schedule

LSJR Flow/SD Salinity Implementation Next Steps Assuming Regulation Path (Phase 1)

- Summer 2023: Executive Director act on draft COP, compliance methods, and procedures for adaptive implementation
- Fall 2023
 - Scientific Basis Report for Tuolumne River VAs submitted for peer review

⁷ Request from Authority staff

⁸ Available at http://resources.ca.gov/docs/voluntary-agreements/2019/Complete_March_1_VA_Submission_to_SWRCB.pdf

- Draft Staff Report for Bay-Delta Plan amendment for Tuolumne River VA
- Draft Regulation and Draft EIR in support of a regulation implementing Lower SJR flows and South Delta Salinity
- Winter/Spring 2024
 - Final draft Staff Report for Tuolumne River VA
 - Board workshop and consideration of Tuolumne River VA
 - Final draft EIR and regulation implementing Lower SJR flows and South Delta Salinity
 - Board consideration of regulation implementing Lower SJR flows and South Delta Salinity

Sac/Delta Update: Key Milestones

- Spring 2023: Scientific Basis Report Supplement for Sacramento River/Delta Voluntary Agreements submitted for peer review after addressing public comments
- Spring 2023: Draft Sacramento River/Delta Update Staff Report public review and comment
- Spring/Summer 2023: Public workshop on Draft Staff Report
- Spring/Summer 2024: Response to comments and development of proposed final changes to the Bay-Delta Plan
- Summer/Fall 2024: Board consideration of adoption

Voluntary Agreements

On March 29, 2022, members of the Newsom Administration joined federal and local water leaders in announcing the signing of a memorandum of understanding⁹ that advances integrated efforts to improve ecosystem and fisheries health within the Sacramento-San Joaquin Bay-Delta. State and federal agencies also announced an agreement¹⁰ specifically with the Sacramento River Settlement Contractors on an approach for 2022 water operations on the Sacramento River.

Both announcements represent a potential revival of progress toward what has been known as “Voluntary Agreements,” an approach the Authority believes is superior to a regulatory approach to update the Bay-Delta Water Quality Control Plan.

The broader MOU outlines terms for an eight-year program that would provide substantial new flows for the environment to help recover salmon and other native fish. The terms also support the creation of new and restored habitat for fish and wildlife, and provide significant funding for environmental improvements and water purchases, according to a joint news release from the California Natural Resources Agency and the California Environmental Protection Agency (CalEPA). Local water agency managers signing the MOU have committed to bringing the terms of the MOU to their boards of directors for their endorsement and to work to settle litigation over engaged species protections in the Delta.

On June 16, the SLDMWA, Friant Water Authority and Tehama Colusa Canal Authority signed onto the VA MOU. Additionally, since that time, in September and November, four more agencies – Contra Costa

⁹ Available at <https://resources.ca.gov/-/media/CNRA-Website/Files/NewsRoom/Voluntary-Agreement-Package-March-29-2022.pdf>

¹⁰ Available at <https://calepa.ca.gov/2022/03/29/informational-statement-state-federal-agencies-and-sacramento-river-settlement-contractors-agree-on-approach-for-2022-water-operations-on-the-sacramento-river/>

Water District, San Francisco Public Utilities Commission (SFPUC), Turlock Irrigation District (TID) and Modesto Irrigation District (MID) – have signed onto the VA MOU.

Work continues to develop the working documents associated with execution and implementation of the VA's and workgroups for participating agencies have been formed, with the formation of a VA Science Workgroup to develop the framework of the VA's proposed Science program, as well as the recent formation of Scheduling and Funding workgroups to ensure that the program remains coordinated.

Tuolumne River Voluntary Agreement

Background

On December 12, 2018, the State Water Board adopted Bay-Delta Plan amendments and a Final SED establishing updated flow objectives on the Lower San Joaquin River, including its three eastside tributaries the Stanislaus, Tuolumne, and Merced Rivers (collectively "LSJR"), revised salinity objectives for the southern Delta, and programs of implementation to achieve the revised objectives.

In November, 2022, the State Water Board received a memorandum of understanding¹¹ for a proposed Tuolumne River Voluntary Agreement. To consider the proposed voluntary agreement, the State Water Board will need to also consider modifications to the Bay-Delta Plan and prepare a staff report to support those possible changes because the Tuolumne River Voluntary Agreement does not fully conform to the current provisions of the Bay-Delta Plan.

The State Water Board has not yet determined whether to approve changes to the Bay-Delta Plan to incorporate the proposed Tuolumne River Voluntary Agreement, but is commencing preparation of the staff report to inform its consideration. In developing its environmental documentation in the staff report, the State Water Board will tier, as appropriate, from the adopted December 12, 2018, Final SED for the LSJR and southern Delta update to the Bay-Delta Plan.

Notice of Preparation of Environmental Documentation and Scoping Meeting¹²

The State Water Resources Control Board (State Water Board or Board) will be the lead agency and is planning to prepare a staff report, including a substitute environmental document (SED) and a report documenting the scientific basis for consideration of potential updates to the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary (Bay-Delta Plan) to incorporate a proposed voluntary agreement for the Tuolumne River (Tuolumne River Voluntary Agreement). The State Water Board's water quality control planning program is a certified regulatory program under the California Environmental Quality Act (CEQA) meaning the program is exempt from requirements for preparing environmental impact reports, negative declarations, or initial studies because the SED is recognized under CEQA and the regulations implementing CEQA as providing the functional equivalent.

¹¹ Available at

https://www.waterboards.ca.gov/waterrights/water_issues/programs/bay_delta/docs/2023/revised-va-mou-swrbc-copy.pdf

¹² Available at

https://www.waterboards.ca.gov/board_info/calendar/docs/2023/notice_noptuolumneva_041123.pdf

The State Water Board solicited input from public agencies, California Native American tribes, and members of the public on the range of project actions; reasonable alternatives; reasonably foreseeable methods of compliance; significant environmental issues; cumulative impacts, if any; and mitigation measures that will reduce impacts to a less than significant level that should be considered in the potential Bay-Delta Plan update to consider incorporating the Tuolumne River Voluntary Agreement.

In response to the release of the NOP for the Tuolumne River VA, the Water Authority provided scoping comments.¹³

San Joaquin River Restoration Program

2023 Restoration Flows

The 2023 Restoration Allocation is set at 557.038 TAF as measured at Gravelly Ford. 82.731 TAF of 2023 Restoration Flows have been released to date plus 342.317 TAF of Unreleased Restoration Flows. The future schedule of Restoration Flows totals 112.423 TAF, including a return of approximately 10.167 TAF of URF Exchanges. Your schedule does not draw upon any Buffer Flows.

Reclamation will immediately release a fourth block of Unreleased Restoration Flows (URFs). With this final block to be delivered by July 29, the evacuation of Restoration Flows and URFs from Millerton Lake will keep pace with Exhibit B hydrographs in the Settlement. Therefore, a Water Supply Test is not necessary to approve this schedule.

Flood management releases to the San Joaquin River are expected to continue into late July with uncontrolled season ending on or around July 31.

Based on past operations, the proposed flow schedule is likely to be within the current seepage limitations and channel capacity limitations. A planned releases of higher Restoration Flows December 18-28 will produce approximately 385 cfs in Reach 4A. Depending on groundwater conditions and other seepage management actions circa December, this planned release may or may not require some recapture at Mendota Pool to stay below seepage limitations in Reach 4A. SJRRP will coordinate with you in the weeks prior to this planned higher flow and more closely evaluate groundwater status.

To view the Restoration Administrator Flow Recommendation, please visit https://www.restoresjr.net/?wpfb_dl=2713. For Information about Restoration Flows, please visit <http://www.restoresjr.net/restoration-goal/restoration-flows/>. For the Restoration Administrator recommendations, please visit <http://www.restoresjr.net/documentsreports/ra-recommendations/>.

U.S. Bureau of Reclamation

Reclamation Manual

Documents out for Comment

Draft Policy

- There are currently no Draft Policies out for review.

¹³ See Appendix

Draft Directives and Standards

- [FAC 06-05, Developing Additional Project Benefits in Conjunction with a Safety of Dams Modification Project](#) (comments due by 7/21/2023)
- [LND 02-01, Cultural Resource Management \(CRM\)](#) (comments due by 7/28/2023)

Draft Facilities Instructions, Standards, and Techniques (FIST)

- There are currently no Facilities Instructions, Standards, and Techniques out for review.

Draft Reclamation Safety and Health Standards (RSHS)

- There are currently no Safety and Health Standards out for review.

Draft Reclamation Design Standards

- There are currently no Design Standards out for review.

Water Management Plan Reporting

On July 5, the Bureau of Reclamation announced that Central Valley Project water contractors subject to water management plans must resume annual reporting. That requirement was suspended during the COVID-19 pandemic.

The Central Valley Project Improvement Act requires water contractors using 2,000 acre-feet or more to develop and submit a plan on the efficient use of water resources. The plan must be updated and reviewed every five years and deemed adequate for fulfilling the terms of their water contract. The requirements are specified in the standard criteria developed by the California-Great Basin Region.

Once a plan is developed and deemed adequate by Reclamation, contractors must submit yearly updates on the implementation of the plan. For 2023, annual update requirements are due by Aug. 30, 2023, for the previous year only. Annual updates may be submitted either in a fiscal year or a water year format.

San Joaquin Valley Water Blueprint

The Water Blueprint for the San Joaquin Valley (Blueprint) is a non-profit group of stakeholders, working to better understand our shared goals for water solutions that support environmental stewardship with the needs of communities and industries throughout the San Joaquin Valley.

Blueprint's strategic priorities for 2022-2025: Advocacy, Groundwater Quality and Disadvantaged Communities, Land Use Changes & Environmental Planning, Outreach & Communications, SGMA Implementation, Water Supply Goals, Governance, Operations & Finance.

Mission Statement: *"Unifying the San Joaquin Valley's voice to advance an accessible, reliable solution for a balanced water future for all."*

Committees

Executive/Budget/Personnel

Hallmark has reached its initial cap as established by the Board. Board is approving additional funding for Hallmark consistent with their contract. Annual invoicing along with annual summary of accomplishments and goals will be sent at month end. Board is focused on efforts to create a screening criteria for the identification of specific priorities to the San Joaquin Valley to be supported, pursued and accomplished.

Once the criteria is finalized the Blueprint will meet again with Advisor Villaraigosa to highlight alignment with the Governor's water resiliency plan.

Advocacy/Communications

The Communications committee is utilizing its operation plan for creating and disseminating Blueprint communications. Providence is preparing a scope for community outreach to be reviewed by the Board. The Advocacy committee is establishing a list of priorities and plan for future advocacy.

Activities

SJV/Delta Water Leaders' Summit

Blueprint coordinated and invited a select group of agricultural and water leaders from the San Joaquin Valley and the Delta region to meet and tour the Delta and SJ Valley. Due to the high flood risk in the Delta, the Planning Committee rescheduled the Summit meetings tentatively for November to ensure that full attention is given to protecting life and property, and after harvest.

Drinking Water Feasibility Study - CSU Fresno State, FWA, Self-Help, Sustainable Conservation

Fresno State is finalizing the scope of work and budget for subcontractors. They expect to have a project timeline ready by July. As a reminder the partners for the feasibility study have initially identified potential Fresno County districts/areas generally for recharge projects. Initial modeling for Fresno State/California Water Institute has preliminarily identified FID, Consolidated ID, Raisin City WD and North Fork Kings GSA for strong multi benefit recharge potential. The group is focused on multi-benefits for recharge with a focus on drinking water with measurable results.

Unified Water Plan for the San Joaquin Valley

The Blueprint and California Water Institute are finalizing the budget to initiate the joint development of a Unified Water Plan for the San Joaquin Valley as called for in the recently awarded Bureau of Reclamation grant. The final water plan will include measures to address San Joaquin Valley needs and potential portfolios to address needs and objectives, this report will ultimately be transmitted to Congress by Reclamation. A copy of that scope is available upon request.¹⁴

San Joaquin Valley Water Collaborative Action Program (SJVW CAP)

Background

The CAP Plenary Group met on February 28 and approved the formation of work groups to advance the revised Term Sheet¹⁵, adopted on November 22, 2022. Phase II, Work Groups are beginning to meet and discuss priorities and drafting for their respective areas: Safe Drinking Water; Sustainable Water Supplies; Ecosystem Health; Land Use, Demand Reduction and Land Repurposing; Implementation.

Steering Committee members continue to meet to discuss the proposed budget and work with Reclamation regarding the requested funding.

¹⁴ Request from Authority staff

¹⁵ Request from Authority staff

The Plenary Group met on May 23, and the meeting summary is attached, as well as a presentation given to the Sustainable Water Supply Workgroup¹⁶.

¹⁶ Request from Authority staff