

**The following draft was developed by the CALFED agencies. It is expected that the language in the draft Statement will change before it is signed but, it is the intent of the CALFED agencies to have a document that expresses the State and Federal agencies' willingness to continue to work cooperatively to shape a new direction for the next stage of protecting the Delta and its multiple uses. The draft was provided to and discussed with the Delta Blue Ribbon Task Force on August 30, 2007. The draft Statement draws conclusions regarding the progress of the CALFED Preferred Program Alternative during the first 7 years and the Preferred Program Alternative's ability to meet the CALFED Program's four over-arching objectives in the future. Readers of this Statement are referred to the End of Stage 1 Staff report, available on the CALFED website, to obtain additional context for the Statement and conclusions.**

## **CALFED Bay-Delta Program End of Stage 1 Statement**

The water crisis in the late 1980s and early '90s was caused by a drought combined with regulatory actions to protect winter-run Chinook salmon as endangered. The potential consequences to both the economy and the environment were dire and led to the creation of a joint State and Federal program known as “CALFED” to deal with the Sacramento-San Joaquin Delta's water supply and ecological crises. The CALFED Bay-Delta Program (CALFED Program) Programmatic Record of Decision (CALFED ROD) was signed on August 28, 2000, setting in motion a multi-decade program to restore ecological health and improve water management for beneficial uses of the Bay-Delta. It described the first seven years of the CALFED Program as “**Stage 1**”, during which time significant investments and actions were projected to attain goals in levee system integrity, water quality, water supply reliability, and ecosystem restoration based on the best available science.

Since 2000 when the 25 State and Federal CALFED agencies agreed to the *Plan of Action* called the ROD, they have funded nearly \$5 billion in research and project improvements throughout California—both upstream and downstream of the Delta and in the Delta itself. While this funding has enabled us to learn much more about the Delta than we knew in the early 1990's, it has provided us with a sobering look at how much more we need to know, but more importantly—accomplish.

As Stage 1 nears its completion, the State and Federal CALFED agencies initiated a number of processes to evaluate the effectiveness of the Stage 1 activities—the Water Quality Program Stage 1 Final Assessment evaluating the ability of water providers to meet CALFED ROD targets for drinking water quality, the Delta Risk Management Strategy (DRMS) evaluating Delta levees and risks to Delta services, and the Ecosystem Restoration Program End of Stage 1 Assessment evaluating restoration activities. A separate process initiated by the agencies to assess the state of the Delta was the Pelagic Organism Decline (POD) scientific inquiry into the continued significant decline in pelagic organisms. Relevant State and Federal agencies also initiated the Bay-Delta Conservation Plan (BDCP) process to address endangered species

protection and regulatory certainty in water project operations that expire at the End of Stage 1, and the State initiated the Delta Vision process to develop a long-range vision for a sustainable Delta.

The Bay-Delta Public Advisory Committee (BDPAC) Program Performance and Financing Subcommittee has also developed a Final Draft of its CALFED Bay-Delta Program Performance Assessment as an overview evaluation of the performance of the entire CALFED Program in Stage 1—included as Attachment 1. Although this Final Draft is not an agency document, and needs final approval by the BDPAC for a formal recommendation to the Secretary and the Governor, the State and Federal agencies believe this stakeholder assessment serves as a useful reference for gauging Stage 1 performance in conjunction with forthcoming agency assessments.

As many of these evaluations are ongoing and not yet complete, they are expected to provide significant information as well as new direction for the next stage of protecting the Delta and its multiple uses. Based on current information, the State and Federal agencies believe the following conclusions can be drawn from Stage 1:

**Stage 1 Progress:** The CALFED Program has made progress toward meeting its objectives, particularly in areas outside the Delta, however progress within the Delta has been limited. The lack of quantifiable objectives left unknowns about performance, many problems that existed at the time the CALFED ROD was signed still exist, and new problems such as the POD surfaced. Research supported by the CALFED Science Program has also provided an improved understanding of the Delta and new kinds of solutions to Delta problems.

**Stage 2 Future Progress:** The continued POD, existing risks to Delta levees, and projected future conditions that will further jeopardize attaining CALFED objectives are prime reasons to reevaluate a number of CALFED assumptions. This reevaluation should focus on improving environmental strategies for restoring a sustainable Delta ecosystem; improving water management strategies that promote regional self-sufficiency; and improving the method of Delta conveyance.

As we begin Stage 2 of implementation, both the State and Federal Governments remain committed to the goals and objectives of CALFED working towards solutions. We will continue to work together to fund good science and projects that help the Delta serve both the needs of the ecosystem and the State's water supply. We will continue to increase our understanding of the Delta to learn and incorporate recommendations from the Delta Vision, BDCP, and DRMS processes as appropriate as the agencies shape CALFED activities over the next several years. CALFED agencies will continue to implement the ROD in an open, transparent and accountable way, focusing on actions with a direct link to the Delta. Further, the CALFED Science Program will continue to conduct focused research and the agencies will improve Program performance, monitoring, tracking, and reporting.

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Arnold Schwarzenegger  
Governor, State of California

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Dirk Kempthorne  
Secretary of the Interior

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Date

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Date