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**BABBITT, WILSON ANNOUNCE REVISED BAY-DELTA REPORT**  
**FOR PUBLIC DISCUSSION**

SACRAMENTO—Interior Secretary Bruce Babbitt and Governor Pete Wilson today released a Revised CALFED Phase II Report. The document provides a framework for restoring ecological health to the San Francisco Bay/Sacramento-San Joaquin Delta Estuary, providing a more reliable water supply for all uses, and improving water quality in California.

In recent weeks, Secretary Babbitt and Governor Wilson have demonstrated a high level of cooperation in a series of meetings with stakeholders regarding the draft plan released today. Representatives of Governor-elect Gray Davis have attended as observers. Further public discussion and discussion with the Davis Administration and legislative leaders at the state and federal level to address stakeholder concerns will occur prior to release of a draft Programmatic Environmental Impact State/Environmental Impact Report (EIS/EIR) next year.

“We have reached substantial areas of agreement among California’s agricultural, urban, environmental and the business communities on ways to both restore the Bay-Delta and improve water management and supply throughout the state,” Secretary Babbitt said. “The document we are releasing today represents a great stride forward toward solving California’s environmental and water needs, but it is still a work in progress. Additional issues remain to be worked out. Further negotiations and public involvement meetings remain for next year. But we are closer to reaching consensus than we have been for 30 years.

“Solving California’s water needs is a marathon race,” Babbitt said. “We have covered

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CALFED Agencies

<b>California</b>	The Resources Agency Department of Fish and Game Department of Water Resources California Environmental Protection Agency State Water Resources Control Board	<b>Federal</b>	Environmental Protection Agency Department of the Interior Fish and Wildlife Service Bureau of Reclamation U.S. Army Corps of Engineers	Department of Agriculture Natural Resources Conservation Service Department of Commerce National Marine Fisheries Service
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much of the course, and the stadium is in sight. But in this race everyone must cross the finish line together. We still have some running to do next year.”

“Since the Bay-Delta Accord was signed in 1994, all 14 state and federal agencies involved in the CALFED process have worked hard to find the best, most equitable solution to the problems associated with the Sacramento Delta,” Governor Pete Wilson said. “Since two-thirds of the water consumed in California flows through that Delta at one point or another, no comprehensive water plan for this state would be complete unless it successfully addressed the Delta.

“The CALFED Revised Phase II Report being released today does just that. It outlines practicable steps for California to achieve continuous improvement in the quality of our drinking water, the quantity of our water supply, and the protections afforded to wildlife and habitat. And it does so through a balanced program of conservation, transfers and increased storage capacity.”

The draft framework released today is described in the CALFED Program’s Revised Phase II Report. It seeks to achieve continuous improvements in four interrelated problem areas: ecosystem health, water quality, levee system integrity, and water supply reliability. The “programmatic” nature of the alternative means that actions are described in broad terms. After the broad program outline is adopted in a federal Record of Decision (ROD) and state Certification, and additional environmental and other permit reviews are performed, site specific actions will be implemented. All of these actions will take an adaptive management approach: with careful monitoring, future actions will be modified as more is learned about the system and how it responds.

The proposed framework is the result of over three years of state, federal and stakeholder collaboration, through thousands of hours of technical study and analysis, meetings and negotiations.

Bob Perciasepe, EPA Assistant Administrator and co-chair of the CALFED Policy Group, said: “This framework is an important milestone on the road to a durable solution that will secure water for California’s families, farmers and fish. If we can build on the substantial progress we have all made together, and on the teamwork among federal and state agencies, we can successfully flesh out this framework, achieve consensus in the next year, and sustain it through the many years of CALFED implementation that lie ahead.”

“Governor Wilson and Secretary Babbitt are to be congratulated – as well as the various stakeholders involved – for crafting this comprehensive agreement,” Secretary Douglas P. Wheeler said. “After years of dedication to this process, the Governor has achieved lasting results, which will benefit Californians in the future.”

To fulfill CALFED’s joint mission – to restore ecological health and improve water management for all beneficial uses of the Bay-Delta system – the draft plan will rely on a

comprehensive water management strategy and an ecosystem restoration plan that includes an innovative environmental water account concept.

The program is expected to take 30 years to complete. Final approval of the plan is expected in December 1999, with implementation to begin in the year 2000.

The actions are grouped under eight program elements. The Revised Phase II Report contains the following proposals, which will be subject to further public and stakeholder discussion and comment.

Long-term Levee Protection Program – The goal of the Levee Protection Plan is to improve levee stability, which will contribute to water supply reliability and water quality improvements for human consumption and the environment. Actions are based on the successes of existing programs. Levee protection actions provide base-level funding to reconstruct all Delta levees to a particular standard, and additional funding for special habitat improvement and levee stabilization projects. The program will also implement best management practices (BMPs) to control subsidence on levees; assess overall risk to the levee system and develop recommendations to manage the risk; and establish an emergency management plan.

Water Quality Program – Improving water quality is one of the CALFED Program's basic objectives. CALFED is committed to achieving continuous improvement in the quality of the waters of the Bay-Delta Estuary for all beneficial uses and maintaining this quality once achieved. Some actions to achieve improvement can begin immediately; others will rely on comprehensive monitoring, pilot studies and research.

The Water Quality Program will focus on improving drinking water quality and reducing impacts from urban and agricultural pesticide use; bromides; trace metals; mercury; selenium; salinity; turbidity and sedimentation; low dissolved oxygen; and toxicity of unknown origin.

Ecosystem Restoration Program – The principal mechanism that CALFED will use to restore the health of the Bay-Delta ecosystem is the Ecosystem Restoration Program (ERP). The ERP emphasizes the restoration of ecological processes in order to create and maintain the diverse and vital habitats of the multiple plant and animal species in the Bay-Delta system. To do so, the ERP identifies over 700 programmatic restoration actions, including restoring, protecting and managing diverse habitat types representative of the system; restoring critical flows; improving Delta outflow during key springtime periods; developing prevention and control programs for invasive species; and modifying or eliminating fish passage barriers.

A creative new component of the ERP is a proposed environmental water account concept, which will supplement already existing programs. The environmental water account provides the environment with a package of assets that provides flexibility in how to help fisheries recover. With an environmental water account, decision-makers can react quickly to the real-time actions of fish, which do not always act according to models and scientific analyses. CALFED

intends to implement a pilot program in 1999 to determine whether the environmental water account should be a part of the final plan.

Water Use Efficiency Program – Water conservation is a concept broadly supported by Californians. The Water Use Efficiency Program includes both water conservation measures for agricultural, urban and wildlife refuge uses, and water recycling actions. The program relies on appropriate conservation measures and government assistance to help users comply with the programs. Existing state and federal programs will be expanded to provide increased levels of funding and technical assistance at the local level. A high-level of water use efficiency is expected to be required as a condition for permitting new surface storage projects.

Water Transfer Program – Water transfers are currently an important water management tool and have the potential to play a more significant role. The Water Transfer Program proposes a framework of actions, policies and processes that will facilitate water transfers and further develop a statewide water transfer market that can move water between users, including the environment, on a voluntary and market basis.

Key components of this program are establishment of a California Water Transfers Information Clearinghouse to provide complete and accurate information and facilitate assessment of potential third-party impacts; coordinate among agencies to formulate policy and standardized procedures; and establish a process to identify transferable water, reservoir refill and carriage water criteria, and costs for transporting water through state and federal conveyance facilities.

The Watershed Program will provide financial and technical assistance to local watershed programs, and aid in the coordination and integration of these programs with CALFED. Watershed management and protection activities can make improvements in each of the four CALFED problem areas – ecosystem quality, water quality, water supply reliability, and levee and channel integrity.

In addition, reoperation of single purpose hydroelectric power reservoirs may achieve significant benefits. In conjunction with FERC relicensing and the consent of project owners/operators, CALFED will perform reoperation analysis for these reservoirs and implement changes in operations, including funding acquisitions where appropriate.

Storage - Storage is an important water management tool, and some storage is expected to be necessary to achieve water supply reliability goals. The degree of need and the appropriate mix between surface and groundwater storage will be determined during Stage 1 of program implementation.

CALFED will focus on consideration of off-stream reservoir sites for new surface storage, but will consider expanding existing on-stream reservoirs. A list of 14 potential surface storage sites will be narrowed to 3 to 5 by the time of program certification. Should new surface storage prove necessary to meet CALFED goals, after economic analysis and analysis of all available water management tools, site selection would take place in years 4-5 of program implementation.

Conveyance - CALFED's initial strategy is to use the existing Delta system with some modifications, evaluate its effectiveness, and add additional conveyance and/or other water management actions if necessary to achieve CALFED goals and objectives. These actions will be continually monitored, analyzed and improved as necessary to meet CALFED goals.

Proposed Stage 1 improvements to the existing south Delta region include new screens for the State Water Project and Central Valley Project export facilities, changes in operations, channel enlargements, and other improvements to increase water supply reliability while decreasing impacts on fish and Delta water users. In the north Delta region proposals include channel enlargement for flood control, changes in Delta Cross-Channel operations, and consideration of a new screened diversion from the Sacramento River to the interior Delta to help balance water quality and fisheries concerns.

If CALFED's goals and objectives, such as its commitments to continuous water quality improvement and fisheries restoration, cannot be accomplished by this initial strategy during Stage 1, the program may recommend additional actions, including an isolated facility. Such a facility would have to be demonstrated to be the most cost-effective and least environmentally damaging alternative to fulfill CALFED's commitment to continuous water quality improvement and fishery recovery.

Water Management Strategy - The CALFED Program has proposed a water management strategy to ensure water supply reliability that recognizes the variability of supply and demand of water in California. CALFED's water supply reliability goals are to:

- Reduce water diversion conflicts between environmental uses and consumptive uses;
- Decrease drought impacts for the environment and water users;
- Increase water supply availability by providing a means for water users and the environment to acquire additional water at high priority times and places;
- Increase operational flexibility by improving the ability of the system to respond to unforeseen or unpredictable events;
- Increase the utility of water used for all beneficial uses by improving water quality.

Seven general categories of tools are included in the management strategy, all of which are being used in California to some degree: water conservation; water recycling; water transfers, both short-term and long-term; storage, both groundwater and surface water; watershed management; water quality control; monitoring and real-time diversion management. The tools will be combined through the CALFED program elements to meet water supply reliability objectives.

1999 Actions – The document provides a list of further actions to be undertaken prior to final program approval, including:

1. Make a decision on the overall future CALFED management structure.

2. Make a decision on the entity that will carry out the work of the ERP.
3. Complete the Conservation Strategy, which includes goals and actions for species recovery and provides the framework for incidental take associated with Stage 1 actions.
4. Complete strategic plans for each program element, with measurable performance goals; Stage 1 actions; financing; recommended governance; and key milestones and decision points.
5. Complete the Agricultural Water Use Efficiency Strategic Plan.
6. Develop an operational plan for water allocation.
7. Identify the first group of Stage 1 projects, and implement an environmental documentation and permit coordination process.
8. Complete a Programmatic Section 404 Assurance Package.
9. Complete a recommendation on an Urban Conservation Certification entity
10. Define a process to provide linkages between program actions.

The CALFED Program will hold several evening public orientation sessions on the document early next year. The document will be available on the CALFED web site, <http://calfed.ca.gov>, and by calling the CALFED information line, 800-700-5752.

History - The CALFED Program began work on developing a long-term plan for fixing the Bay-Delta in May 1995. In cooperation with environmental, urban and agricultural interests, CALFED developed three potential alternative solutions, which were released in a draft programmatic EIS/EIR in March 1998. Several thousand comments on the three alternatives were received through a 105-day public comment period. In conjunction with extensive additional technical analyses, these comments were used to develop the Revised Phase II Report.

Earlier this month, state and federal officials extended the 1994 Bay-Delta Accord, which established the primary framework for the program, to Dec. 31, 1999. Certification of the final programmatic EIS/EIR will replace the Accord.

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