

Agenda Item: 2
Meeting Date: May 13, 2004

CALIFORNIA BAY-DELTA PUBLIC ADVISORY COMMITTEE

DIRECTOR'S REPORT

Budget

The California Bay-Delta Authority's proposed budget was heard by the Assembly Budget Subcommittee on Natural Resources and Environmental Quality on April 14, 2004. The Subcommittee adopted the proposed \$2.4 million General Fund Reduction but deferred consideration of the Proposition 50 and other bond funding proposals until a later date.

The Senate Budget Subcommittee on Resources, Environmental Protection, Public Safety and Energy heard the Authority's budget on April 29, 2004. Bond funding proposals were approved, but the Subcommittee did not act on the proposed General Fund Reduction. Additionally, the Subcommittee adopted budget trailer bill language to implement a broad-based user fee and directed legislative staff to work with Authority staff to develop a beneficiary pays principle as State policy for funding the CALFED Program, also to be included in the budget trailer bill. The Administration does not currently have a position on this trailer bill language.

Legislation

SB 1155 (Machado) was significantly amended in the Senate Agriculture and Water Resources Committee and passed out unanimously on April 28, 2004. The amendments deleted all previous provisions in the bill and now express legislative intent only including a finding that the State should not assist entities in increasing their use of public trust resources if those entities fail to meet water quality requirements that are conditions of water rights permits or licenses. The author is scheduling meetings with stakeholders in the upcoming weeks to continue to address concerns.

Federal Authorization – The U.S. Senate Committee on Energy and Natural Resources on April 28 unanimously approved S. 1097 by Senator Feinstein, which would provide Federal authorization for the CALFED Bay-Delta Program. The bill now must be considered by the full Senate. The House version of the authorization bill, H.R. 2828 by Congressman Ken Calvert, is scheduled to be considered by the House Resources Committee on May 5. (See news articles beginning on Page 8.)

California Bay-Delta Program Environmental Impact Statement/Environmental Impact Report Litigation Update

A. New Environmental Water Account Litigation

California Farm Bureau Federation v. Chrisman, et al.

Petitioners: The California Farm Bureau Federation.

Respondents: The Resources Agency (Resources), Environmental Protection Agency (CalEPA), Department of Food and Agriculture (CDFA), Department of Water Resources (DWR), Department of Fish and Game (DFG), Department of Health Services (DHS), California Bay-Delta Authority (Authority), and their respective directors in their official capacities.

Summary of Case: On April 16, 2004, the Farm Bureau filed a petition for writ of mandate in Sacramento Superior Court, challenging the legal sufficiency under CEQA of the CALFED Final 2004 Environmental Water Account (EWA) EIS/EIR. The Farm Bureau is alleging, among other things, that the final EIS/EIR fails to: describe and evaluate significant impacts on agricultural resources; consider reasonable range of alternatives; describe and evaluate direct, indirect, and cumulative impacts and impacts to the food supply resulting from EWA water purchases; consider urban, commercial, and industrial growth-inducing impacts; describe and evaluate reasonable mitigation measures; and adequately respond to comments.

Current Status: A mandatory CEQA settlement conference must be held no later than June 4, 2004. DWR must certify and lodge the administrative record by June 21, 2004; but the parties have agreed to a 60-day extension.

B. Programmatic Litigation

1. Federal Case

Laub v. Babbitt, et al., U.S. District Court, Fresno

Plaintiffs: The California Farm Bureau Federation and several individual farmers

Defendants: All Federal and State agencies participating in the program. The State agencies recently named in the Farm Bureau's latest complaint are sued via their executive officers: Governor Schwarzenegger; Michael Chrisman, Resources; Terry Tamminen, CalEPA; Celeste Cantu, State Water Resources Control Board (SWRCB); Linda Adams, DWR (Interim); Sonke Mastrup, DFG (Acting); Peter Rabbon, The Reclamation

Board; Margit Aramburu, Delta Protection Commission (DPC); Darryl Young, Department of Conservation (DOC); Will Travis, Bay Conservation and Development Commission (BCDC); Diana Bontá, DHS; and A.G. Kawamura, CDFA

Summary of Case: This case was filed in September 2000. It alleges that the CALFED Programmatic EIS/EIR ("PEIS/EIR") violates NEPA and the Administrative Procedures Act. They seek an injunction against all State and Federal actions to implement the Record of Decision until an adequate PEIS/EIR is prepared. The State defendants are apparently being sued under the theory that the Program is a joint Federal-State partnership that requires NEPA compliance under Federal law; and, therefore, the Federal government must comply with NEPA for all State projects, as well as Federal projects. The Farm Bureau alleged that the PEIS/EIR violated NEPA by improperly analyzing impacts to agricultural land and water and failed to contain an adequate alternatives analysis or mitigation measures to reduce impacts on agricultural land and water. The Farm Bureau also alleged other violations of NEPA, such as the claim that the June 9, 2000 policy document, *Framework for Action*, contained "significant new information" regarding the integrated storage investigation and the EWA that required defendants to recirculate the PEIS/EIR.

Current Status: The case is pending in the Federal district court. The district court dismissed an earlier version of the complaint as premature in August 2001. The Court of Appeals reversed that decision in September 2003. The Farm Bureau recently amended its complaint and an answer from all State defendants was filed on February 2, 2004. At a status conference held on January 20, 2004, a deadline of August 27, 2004 was set for the Federal defendants to file the administrative record. Discovery will be suspended until the record is filed. A subsequent status conference is scheduled for November 1, 2004 to determine how the case will proceed.

2. State Court Cases

Laub v. Schwarzenegger, et al., Court of Appeal, Third Appellate District (Sacramento)

Appellants/Plaintiffs: The California Farm Bureau Federation and several individual farmers

Respondents/Defendants: Governor Schwarzenegger, Resources Agency Secretary Chrisman, CalEPA Secretary Tamminen

Summary of Case: The Farm Bureau filed this case in State court after the Federal district court dismissed a CEQA claim that had been part of their

original NEPA lawsuit (described above). The Farm Bureau alleged that the PEIS/EIR violated CEQA by improperly analyzing impacts to agricultural land and water and failed to contain an adequate alternatives analysis or mitigation measures to reduce impacts on agricultural land and water. The Farm Bureau also alleged other violations of CEQA, such as the claim that the June 9, 2000 policy document, *Framework for Action*, contained "significant new information" regarding the integrated storage investigation and the EWA that required defendants to recirculate the PEIS/EIR.

Current Status: Defendants won on all issues in the trial court and the Farm Bureau appealed. That appeal has been consolidated with an appeal of the trial court's CEQA ruling, which was made jointly in Regional Council of Rural Counties (RCRC), described on the following page. On January 13, 2004, the Farm Bureau filed a brief seeking to overturn the Superior Court's ruling. The State's appellate briefs were filed on April 2, 2004. Reply briefs are due May 10, 2004.

Regional Council of Rural Counties v. State, et al., Court of Appeal, Third Appellate District (Sacramento)

Appellants/Plaintiffs: Regional Council of Rural Counties, Central Delta Water Agency, South Delta Water Agency, Zuckerman-Mandeville, Inc., and individual farmers

Respondents/Defendants: State of California, the Resources Agency, Secretary of Resources, CalEPA Secretary (plus real parties in interest Department of Water Resources, DWR Director, Patrick Wright (as Director of the CALFED Bay-Delta Program), DFG, the Director of DFG, and numerous Federal agencies and officers)

Summary of Case: Petitioners jointly filed this suit in Sacramento Superior Court and it was coordinated with *Laub v. Davis* (see Page 3), and the two cases have been consolidated on appeal. Petitioners argue that the PEIS/EIR violated CEQA by, among other things, conducting an inadequate alternatives analysis, etc., relating to water supply and water quality issues in the Delta and watershed areas. Petitioners contend the Record of Decision (ROD) contained various new changes to water rights and water supply commitments that required recirculation of the PEIS/EIR. Petitioners also brought non-CEQA claims, contending that these provisions (as well as expenditures under the ROD) violated varied provisions of the Water Code.

Current Status: Defendants won on all issues in the trial court and petitioners appealed. On January 15, 2004, petitioners filed two briefs (one by RCRC and one for all other petitioners) seeking to overturn various rulings by the Superior Court. The State's appellate briefs were filed on April 2, 2004. Reply briefs are due May 10, 2004.

Municipal Water District of Orange County v. California Resources Agency, et al., (dismissed from Los Angeles Superior Court)

Petitioner: Municipal Water District of Orange County (MWDOC)

Defendant: California Resources Agency (plus real parties in interest CalEPA, Department of Fish and Game, DWR, SWRCB, CDFA, DPC, and Rec. Bd.

Summary of Case: Petitioner alleged that the CALFED PEIR violates CEQA because it fails to include the June 9, 2000 policy document, *Framework for Action*, failed to analyze significant environmental effects of the program, and failed to discuss mitigation measures concerning water supply reliability and water quality for Delta exports to Southern California. Petitioners seek a judicial declaration that the *Framework for Action* is part of the CALFED preferred program alternative.

Current Status: This action was dismissed in 2001 pursuant to a settlement agreement reciting the contents of the ROD, the actions that defendants had taken and planned to take as of 2001 pursuant to the ROD related to scientific understanding on issues such as the interplay between Delta exports and certain listed fish species, and an agreement to give MWDOC notice of all stakeholder meetings.

April 2004

California Bay-Delta Update

News Highlights from the California Bay-Delta Authority

In the News

Highlights of actions taken during the April 7-8 meeting, the California Bay-Delta Authority include:

- **Johnnie Moore Appointed Lead Scientist:** University of Montana Professor Dr. Johnnie Moore as the new lead scientist for the CALFED Program. A geologist with an extensive background in environmental issues including river basin restoration, Dr. Moore will be responsible for continuing the integration of science into all areas of the Program. He has led multiple research programs during his tenure at Montana, including several high profile river and watershed rehabilitation projects. His research focus has included the cycling of metals in aquatic systems such as wetlands, rivers and reservoir systems. More information about Dr. Moore is at: www.calwater.ca.gov.
- **Grants Recommended:** Authority members also recommended that the State Water Resources Control Board (SWRCB) continue with its grant process to award more than \$63 million in Propositions 13 and 50 for drinking water quality and watershed programs, and the Department of Conservation (DOC) approve \$9 million in Proposition 50 grants for Watershed Coordinators over the next 3 years. Grant details are available for the SWRCB and DOC at <http://www.swrcb.ca.gov/funding/consolidgrant.html> and http://www.consrv.ca.gov/index/qh_grants.htm respectively.
- **Water Measurement Proposal Advances:** Authority members directed staff to proceed with proposed plans to measure urban and agricultural water use. Authority staff will work with the state administration and the legislature on implementing the staff proposal for water use measurement. Currently, there are three bills before the state legislature that deal with portions of this issue: A.B. 2572 (Kehoe) Water Meters, A.B. 2298 (Plescia) Public Water Systems: Water Meters, and A.B. 2951 (Canciamilla) Agricultural Water Measurement. More details are available at <http://calwater.ca.gov/Programs/WaterUseEfficiency/WaterUseEfficiency.shtml>.

Delta Improvements Package: The Delta Improvements Package, a set of actions that would bring about the biggest changes in Delta operations in decades, was discussed at the April Authority meeting. CALFED agencies staff continue work to develop a set of schedules and commitments related to the package, which is expected to be presented at the June Authority meeting. The package includes proposals to increase water supply reliability, improve water quality and create better conditions for key fish species, and will be subject to environmental study and extensive public review in coming months. More on Delta improvements is available at <http://baydeltaoffice.water.ca.gov/sdelta/>.

Hearing Slated on Delta Improvements Bill: State legislation that would bar additional water exports from the Delta until water quality standards and objectives are met will be heard April 28 in the Senate Agriculture and Water Resources Committee. SB 1155 by Senator Mike Machado, D-Linden, would require several projects outlined in the CALFED Record of Decision (ROD) to be completed before state and federal agencies could move ahead with increased pumping as part of the Delta Improvements Package. More on the bill is available at <http://www.leginfo.ca.gov>.

Bay-Delta Program Happenings

Independent Science Board to Meet: The California Bay-Delta Authority's Independent Science Board will meet in Sacramento April 23 to discuss ongoing activities and critical science issues. The board, which includes 15 scientists from across the United States, was established last year to advise the Authority on science issues relevant to the overall Bay-Delta Program and individual program elements. Meeting details are available at <http://www.calwater.ca.gov/calendar/calendar.shtml>.

BDPAC Subcommittees: Several subcommittees of the Bay-Delta Public Advisory Committee are slated to meet in April. Upcoming meetings include the Drinking Water Quality Subcommittee on April 23. Meeting notices are posted on the CALFED calendar at <http://www.calwater.ca.gov/calendar/calendar.shtml>.

In Print

Freeport Regional Water Project Documents: The final Environmental Impact Report and the Environmental Impact Statement are now available for the Freeport Regional Water Project. The Freeport Regional Water Authority will be considering certification on April 15, 2004 at the Sacramento County Administration Center, 700 H Street in Sacramento, at 9:00 a.m. The Bureau of Reclamation will consider making a Record of Decision for the EIS after a mandatory 30-day review period. The documents are available at <http://www.freeportproject.org/>.

###

###

Recent News Articles Regarding Federal Authorization

Scaled-down Delta water bill passes Senate committee

Associated Press - 4/29/04

By Erica Werner, staff writer

WASHINGTON -- A Senate committee on Wednesday unanimously approved a scaled-back CalFed water bill, a significant step forward for the long-fought plan to restore California's Sacramento-San Joaquin Delta and ensure a reliable water supply for millions of farmers and residents.

The Senate Energy and Natural Resources Committee passed a \$389 million bill by Sen. Dianne Feinstein, D-Calif., that includes studying new water storage projects, stabilizing delta levees and conducting flood management programs.

The price tag was dramatically reduced from versions of the bill that stalled in years past, including an \$880 million bill Feinstein introduced last year, a \$1.6 billion plan that passed a Senate committee but not the full Senate in 2002, and a \$2.4 billion bill that Feinstein backed before that.

"I think we have a bill now that meets virtually all criteria among stakeholders in California as well as both sides of the aisle here," Feinstein said before the vote.

The next step for the bill would be the Senate floor, and Feinstein said she hopes it can get there quickly. The House Resources Committee is expected to take up the House version, authored by Rep. Ken Calvert, R-Corona, next week.

The House version bears a higher price tag and there are some other differences, but Calvert, Feinstein and House Resources Committee Chairman Richard Pombo, R-Tracy, have been working together, and aides said the differences don't appear insurmountable.

The progress appears to put a CalFed bill closer to reality than it has been for years.

Congressional appropriators would have to determine exact funding levels later. But without the authorization bill, no money could be appropriated.

The CalFed program, a state-federal effort, has been in the works for a decade. The current effort stems from a 2000 agreement, reached after years of negotiations, on a package of projects to restore the Delta.

and ensure water for different groups of users. About 80 percent of California's drinking water passes through the delta.

Now we can move forward with appropriations because everything CalFed needs is either in this bill or has been authorized at a prior time, Feinstein said.

Projects newly authorized in the bill include groundwater storage and feasibility studies for major new reservoirs, including enlarging Los Vaqueros reservoir in Contra Costa County and Sites Reservoir in Colusa County, raising Shasta Dam, and increasing storage areas on the Upper San Joaquin River in Fresno and Madera counties.

The bill leaves out a controversial issue that Feinstein said is being dealt with separately. She said she has agreed to try to mediate a settlement between the Hoopa Valley Indian tribe and the Westlands Water District over diversion of water from the Trinity River to irrigate Central Valley agricultural. The Hoopa blames the diversion for decreases in salmon runs.

Much of the issue is before the 9th U.S. Circuit Court of Appeals. Feinstein mentioned her mediation role during the committee hearing but declined later to comment in detail.#

Senate panel OKs bill to extend bay-delta water projects
San Francisco Chronicle - 4/29/04
By Edward Epstein, staff writer

WASHINGTON - A bill reauthorizing the unique state-federal program designed to restore the bay and delta and provide water for California farms and rapidly growing Central Valley communities was approved by a Senate committee Wednesday.

The CALFED program created in 1995 needs congressional approval to proceed with new projects designed to meet a thirsty state's growing and often- conflicting water needs. But California's long-standing water wars and the water needs of other Western states have made it hard to reach agreement.

Sen. Dianne Feinstein, D-Calif., finally brokered a deal that she and a coalition of supporters -- including Republican Gov. Arnold Schwarzenegger, the Bush administration and the state's bipartisan 53 House members -- say they hope can form the basis for a bill that can finally be sent to President Bush.

To accomplish that, Feinstein cut the nominal price tag from \$880 million in her previous version of the bill to \$389 million over six years. That doesn't mean that other money won't be spent, because previously authorized projects were dropped from the new bill to bring down its price tag and to avoid refighting old battles that have held up the bill before.

But Patrick Wright, head of the California Bay-Delta Authority, said the lower figure offers a "more accurate way of portraying the likely cost of the bill" and should appeal to members of both houses through its smaller effect on the budget.

Local projects in the bill include a study of expanding the Los Vaqueros Reservoir in Contra Costa County. There will also be a study of raising the Shasta Dam to increase its water storage capacity.

"We have a good bill," Feinstein said shortly before the Senate Energy and Natural Resources Committee passed it by voice vote. She stressed the that bill's intent is to balance the state's competing water interests by requiring the Interior Secretary, the governor and the California Bay-Delta Authority to annually certify the program is proceeding in a balanced way.

In the House, Rep. Ken Calvert, R-Riverside, has a differing version of the water plan. He urged the Senate panel to pass Feinstein's bill as a way of moving the process along and is revising his legislation before it goes to the House Resources Subcommittee on Water, which Calvert chairs.

If Feinstein is seen as representing the Bay Area and urban interests, Calvert's bill has been backed by Central Valley growers and thirsty water districts that want to get more water from water-rich Northern California.

"This sends a signal to the House to pass the bill," Feinstein said after the committee vote. She said she was hopeful a House-Senate conference committee could resolve any differences in the two plans. #

**Water bill passes panel
But the Cal-Fed funding pushed by Feinstein still faces hurdles.
Sacramento Bee - 4/29/04
By Michael Doyle, staff writer**

WASHINGTON - A smaller price tag and lots of tinkering helped a long-stalled California water bill win deceptively easy approval Wednesday by a key Senate committee.

Now tagged at \$389 million, the legislation authorizing new reservoir work and river protections passed quickly on a voice vote through the Senate Energy and Natural Resources Committee. Beneath Wednesday's calm surface, though, lay years of hard work and lots of challenges still ahead.

"Everyone knows that when it comes to water, it isn't easy to put a bill together," said Sen. Dianne Feinstein, D-Calif.

Newly backed by Gov. Arnold Schwarzenegger and several dozen California farming, water and business organizations, the legislation authorizes the Cal-Fed water program through the year 2010. This includes improving fish screens at the Tracy pumping plants, strengthening Delta levees, preventing algae blooms when San Luis Reservoir water levels fall and more.

"It will significantly improve our chances as we move forward," said Patrick Wright, director of the Sacramento-based Cal-Fed program.

Under the legislation, the federal government will pay up to one-third of the cost for the various California water fixes.

Other Western senators, who in the past have raised pointed questions about everything from Cal-Fed's cost to what their own states might gain in return, offered only praise Wednesday.

That doesn't mean Feinstein, after several often frustrating years of trying to write a California water bill, now has a slam dunk.

Feinstein's original bill would have authorized upward of \$2.4 billion. Last year, she shrank that to \$880 million. Whiting out that number and replacing it with \$389 million this year is supposed to make the bill more politically palatable. But in terms of what actually gets built, this year's bill and last year's effort aren't very different.

Feinstein arrived at this year's smaller price tag by concluding that federal agencies already had the necessary authority to undertake many projects, like studying the feasibility of raising Shasta Dam, building a new reservoir on the Upper San Joaquin River or restoring Delta habitat. Citing these existing authorities, Feinstein dropped the costs of these previously approved projects from the Cal-Fed bill total even though the projects themselves remain part of the Cal-Fed program.

"It doesn't really shrink the program," Wright said of the new bill.

Feinstein also must still work out differences with House members, who plan to take up their own California water bill next week. Some lawmakers, including Tulare Republican Devin Nunes, have been insisting on controversial provisions that would make it much easier for new dams to be built once feasibility studies are done. The House bill also includes a \$100 million Western water grant provision that could provoke debate over wage scales. Feinstein's bill omits these grants, and thereby sidesteps the prevailing-wage debate that until now has slowed the Cal-Fed legislation.

"I hope this hopefully sends a signal to the House," Feinstein said. "I feel very certain that we can remedy those differences."

Feinstein said she hopes to move the bill "as soon as possible" to the Senate floor.#

Panel OKs major water measure
The Bay-Delta system funded by the bill provides a third of Inland supplies.
Riverside Press-Enterprise - 4/29/04
By Claire Vitucci, correspondent

WASHINGTON - California water legislation designed to fund storage projects and improve water quality statewide passed a key Senate committee Wednesday and heads to the Senate floor.

The bill, dubbed Cal-Fed, passed the Senate Energy and Natural Resources Committee by a voice vote. The \$389 million legislation would pay to continue the federal-state system designed in part to restore the fragile San Francisco Bay and Sacramento-San Joaquin Delta habitat. About one-third of the Inland area's tap water comes from the Bay-Delta, the state's largest water source.

Sen. Dianne Feinstein, D-Calif., said she's optimistic this legislation will make it through Congress. The bill sidesteps the federal Davis-Bacon Act, which sets prevailing wages on public projects and derailed Cal-Fed's last attempt. The newest version also would authorize only new water projects, making the price tag and legislation easier to swallow for some lawmakers.

"It becomes a much less controversial bill rather than taking everything in and having to re-fight old wars," said Feinstein, who authored the legislation with Sen. Barbara Boxer, D-Calif.

Feinstein encouraged the House to pass its bill, which was authored by Inland Rep. Ken Calvert, R-Corona.

The Senate bill's price tag has been pared down from the \$880 million legislation Feinstein introduced last May and the \$2.4 billion water package Feinstein tried to move through Congress two years ago.

It would authorize \$389 million to pay for water storage, ecosystem restoration, recycling and desalinization projects in California between 2005 and 2010.

It would also require the interior secretary, California's governor and the California Bay Delta Authority to annually review the projects.

Melodie Johnson, a spokeswoman for the Western Municipal Water District in Riverside, said much of their customers' water comes from the Bay Delta. People who live in the Riverside neighborhoods of Orangecrest and Mission Grove receive all of their water from the Bay-Delta.

"So what goes on in the delta impacts here," Johnson said. "Water quality issues happening in the delta impact our water supply."

Another third of the Inland area's tap water comes from local groundwater and the rest from the Colorado River.

Calvert's bill, which is scheduled for a committee vote next week, would protect Cal-Fed but would also include a \$100 million grant program to fund local water projects and provide up to \$300 million toward solutions to fix the Salton Sea.

Inland water officials say they are already eyeing the \$100 million grant program as a way to pay for some projects on their wish lists.

Joe Grindstaff, general manager of the Santa Ana Watershed Project Authority, said some of the money could be used to pay for a desalter and water-recycling projects in Perris and San Jacinto and to improve water quality in the Chino basin.#

Shrunken Cal-Fed bill might have a chance
Sacramento Bee - 4/15/04
By Michael Doyle, staff writer

WASHINGTON -- Sen. Dianne Feinstein has prepared a bite-sized version of a once-sprawling California water bill in hopes it can be more easily digested on Capitol Hill.

Today, in a San Francisco meeting, Feinstein and her allies will learn if they've gone far enough by cutting the bill's cost by more than half.

"I actually think we have the only bill that can get through the Senate now," Feinstein, D-Calif., said Wednesday. "I think it's fair to say this is the last chance for a bill (this year)."

After months of behind-the-scenes work, Feinstein has crafted a \$389 million version of legislation to authorize the so-called Cal-Fed water program. It includes restoring San Francisco Bay and Sacramento-San Joaquin Delta habitat and studying new reservoirs along the upper San Joaquin River and in the Sacramento Valley.

The proposal has shrunk from the \$880 million California water package Feinstein introduced last May, and the \$2.4 billion bill Feinstein tried moving two years ago.

Lawmakers had continued to choke on the past offerings, citing both cost and seemingly unrelated labor provisions. Now, though some disputes remain, Feinstein hopes she can move her bill in the next two weeks.

"The money should be sufficient to meet the program needs," Feinstein said.

Feinstein described her meeting today, with representatives of farm and environmental groups among others, as a chance to build a "united front." Her chief of staff previously met with labor leaders to ensure that the proposal and its treatment of prevailing-wage requirements set by the federal Davis-Bacon Act, would not incite overt opposition.

"I give Sen. Feinstein a lot of credit for taking another whack at Cal-Fed," said Environmental Defense attorney Tom Graff, who has been critical of past federal water projects. "There's little glory for a California senator in trying to make something happen on (it), given the mess that the Clinton and Davis administrations handed off to their successors."

The Interior Department also helped jump-start the latest negotiations, with top federal water officials getting directly involved after a long period of relative passivity. The bill's changes are both temporal and concrete.

The bill now covers six years, for instance, instead of the previous four. Its cost is markedly lower because it's dealing with many projects that have already gotten a congressional go-ahead. It also sidesteps the recurring Davis-Bacon wage conflict. Feinstein now contends that spelling out the prevailing-wage guarantees - anathema to congressional conservatives but heretofore essential to organized labor - is not necessary given existing authorizations for the California water projects.

Graff cautioned, though, that "threading the needle with a Cal-Fed bill, in the absence of consensus among the California water interests or strong leadership from Sacramento, is likely to be near impossible."

Northern California Indian tribes, for example, worry about the future of Trinity River water.

Another political variable is the relationship between the California water bill and the priorities of other Western senators.

Sen. Jon Kyl, R-Ariz., is championing an Indian water-rights settlement in his state costing hundreds of millions of dollars, while Sen. Pete Domenici, R-N.M., is pushing his own bundle of Western water projects.

Feinstein said she would be "surprised" if the California bill doesn't eventually get wedded to other Western water legislation.

With Congress squeezed by an election-year calendar, the Senate Energy and Natural Resources Committee could take up the legislation as early as April 28. A House bill written by Riverside Republican Ken Calvert, with a price tag that still exceeds \$880 million, could then be on track for House Resources Committee approval on May 5.

"They're making very positive changes," House Resources Committee spokesman Brian Kennedy said of the Senate bill.

House and Senate negotiators would still have to work out their differences in a conference. Some differences are pretty big. The House bill, for instance, includes a \$100 million grant program that Feinstein's does not. The House bill also includes controversial language that streamlines the process for actually constructing new dams.#