



**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

8-4

January 28, 1997

**To:** Board of Directors (Water Planning and Resources Committee--Action)  
(Committee on Legislation--Information)

**From:** *for* John R. Wodraska  
General Manager

**Submitted by:** Debra C. Man, Chief  
Planning and Resources

**Subject:** Proposed Policy Principles to Guide Staff's Actions Related to the Bay/Delta  
Ecosystem Roundtable

## RECOMMENDATION

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It is recommended that your Board review and approve proposed policy principles to guide staff's actions related to the Bay/Delta Ecosystem Roundtable.

## EXECUTIVE SUMMARY

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This letter presents recommended policy principles for Metropolitan's participation in the Bay/Delta Ecosystem Roundtable (Roundtable). The Roundtable is comprised of Bay/Delta stakeholders and will advise CALFED on: 1) coordination of restoration programs; 2) restoration priorities; 3) evaluation criteria; and 4) project selection. At this time, the Roundtable will make funding recommendations for: 1) stakeholder Category III contributions; and 2) Proposition 204's \$60 million State Category III cost share. CALFED has requested the Roundtable to look beyond the immediate funding sources it may effect and provide policy guidance for all Bay/Delta ecosystem investments to ensure consistency with CALFED's long-term program.

## DETAILED REPORT

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**Background.** Your Board approved a three-year commitment to provide \$10 million annually to the Bay/Delta Category III Program (Program) consistent with the principles of the December 1994 Bay/Delta Accord (Attachment A, Board Letter 8-0, dated

January 4, 1995). The Program corrects non-flow factors in the Bay/Delta watershed which impact fish and wildlife. A Category III Steering Committee (Committee) was convened in August 1995 to: (1) fund Category III projects while leveraging all available funding sources; and (2) integrate Category III with CALFED. The Committee has made substantial progress in implementing the Program by approving 38 projects with a total Category III outlay of \$21 million (Attachment B). Total costs to implement these projects are \$58 million resulting in about \$2 being leveraged for every \$1 contributed by California Urban Water Agencies members (Attachment C). In December 1995, the Committee proposed to CALFED to create a permanent institution within CALFED to address Category III measures. In April 1996, CALFED responded with a proposal to create a permanent institution for making Category III funding decisions within CALFED's organization. Central to CALFED's proposal was a Bay/Delta Ecosystem Roundtable (Roundtable) comprised of stakeholders. The Committee decided to defer future Category III actions to the Roundtable once established.

**Bay/Delta Ecosystem Roundtable Functions.** In November 1996, CALFED convened the Roundtable to advise CALFED on: 1) coordination of restoration programs; 2) restoration priorities; 3) evaluation criteria; and 4) project selection. At this time, the Roundtable will make funding recommendations for: 1) stakeholder Category III contributions; and 2) Proposition 204's \$60 million State Category III cost share. It is anticipated that the Roundtable will also make recommendations on future federal Category III contributions. The Roundtable is initiating a project selection process that will end in July 1997. CALFED has indicated that approximately \$20M-\$30 million of Proposition 204 Category III money could be allocated at that time. A "Needs Assessment Workgroup" was formed by members of the Roundtable for the purpose of assessing the human, financial, and other resources that will be needed to accomplish the Roundtable's mission. CALFED has requested the Roundtable to look beyond the immediate funding sources it may effect and provide policy guidance for all Bay/Delta ecosystem investments to ensure consistency with CALFED's long-term program.

**Bay/Delta Ecosystem Roundtable Membership.** The Roundtable consists of 18 members representing agricultural, urban, environmental, waterfowl, fishery, power, Delta and mountain interests (Attachment D). The membership was selected with a vision towards enabling the Roundtable to play a greater role for all Bay/Delta restoration activities. Urban agencies include: Contra Costa Water District, Santa Clara Valley Water District, East Bay Municipal Utilities District and Metropolitan. Deputy General Manager Timothy Quinn represents Metropolitan on the Roundtable and the Needs Assessment Workgroup and is the only member representing south of the Tehachapi interests. Staff has voiced this concern to CALFED, but remains unconvinced that CALFED will expand membership at this time. Staff will continue to pursue the most appropriate and effective level of representation as this effort evolves.

**Need for a Public/Private "Bay/Delta Conservancy."** The Roundtable is an important milestone in the evolution of the Bay/Delta institutional framework. Ultimately, many stakeholders are viewing a public/private "Bay/Delta Conservancy" as the final milestone in this

process. Such a Conservancy would serve as a significant implementing entity for CALFED and would most likely be established in early-1999 after CALFED has completed its environmental review process. Substantial stakeholder consensus exists on important themes that will guide a Conservancy's development. These themes, most of which the Roundtable will begin to address, include: 1) ensuring that restoration decisions are made on a level playing field; 2) protecting monies earmarked for restoration activities; 3) increasing stakeholder participation in restoration decisions; 4) improving coordination between restoration programs; and 5) solidifying the political presence of Bay/Delta stakeholders.

#### **Need for an Interim Treasurer/Contract Administrator for Restoration**

**Monies.** Bay/Delta stakeholders are exploring near-term opportunities to consolidate restoration monies and contracting duties within one entity. Many stakeholders support the National Fish and Wildlife Foundation (NFWF) serving this function until a Conservancy is established. NFWF is a private nonprofit organization dedicated to natural resources conservation that was established by Congress in 1984. NFWF has awarded more than 1,200 grants, leveraging approximately \$43 million of federal funds into \$152 million of on-the-ground fish and wildlife conservation. NFWF's services could include: 1) serving solely as a money manager; 2) serving as a money manager and contract administrator; and 3) doing both of the above plus assisting the Roundtable with project development and selection processes. To date, CALFED supports limiting NFWF's oversight to stakeholder Category III monies while stakeholders are supporting NFWF playing a much greater role which could include managing Proposition 204 (Category III and State cost share of CVPIA), CVPIA, and future federal monies. Many stakeholders are concerned that failure to resolve this issue in the near-term may result in CALFED and/or its members staffing up to handle the increased workload. While Proposition 204 specified that administrative costs for the State Category III funds could not exceed three percent, estimates of costs for CALFED and/or its members to administer these monies greatly exceed that amount.

**Proposed Policy Principles to Guide Staff's Actions Related to the Bay/Delta Ecosystem Roundtable.** The following are proposed policy principles that have been reviewed and refined by the Bay/Delta Political Advisory Committee.

1. **Restoration Vision:** Ensure that Roundtable funding decisions result in achieving progress on carrying out CALFED's long-term goals.
2. **Increased Scope:** Promote efforts to expand the scope of the Roundtable's restoration activities beyond Category III.
3. **Permit Streamlining:** Encourage CALFED to coordinate the regulatory actions of its members to facilitate quicker implementation of restoration projects.
4. **Technical Guidance:** Ensure that all Roundtable decisions are based on sound technical input from a joint CALFED/stakeholder group of scientists.

5. Stakeholder Representation: Pursue broad-based representation on Roundtable to ensure Bay/Delta stakeholder support for Roundtable decisions.
6. Restoration Monies: Promote efforts to consolidate restoration monies with an appropriate treasurer/contract administrator.
7. Bay/Delta Conservancy: Continue to explore public/private conservancy concept for long-term Bay/Delta institutional framework.

The Roundtable represents an important milestone in the evolution of Bay/Delta institutional framework. Staff will keep your Board informed on progress made in carrying out these policy principles.

SPH:cl

Attachments

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**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

January 4, 1995

To: Board of Directors (Finance & Insurance Committee--Action)  
(Water Problems Committee--Action)  
(Executive Committee Committee--Action)

From: General Manager

Subject: Appropriation No. 702 for \$10 Million "Seed Money" to State  
Bay-Delta Environmental Restoration Fund to Address  
Category III Measures

Report

On December 15, 1994, representatives of State and federal resource agencies, and urban, agricultural, and environmental agencies agreed to a set of principles to implement a protection plan for the San Francisco Bay-Delta Estuary. Staff provided a description of the Principles for Agreement on Bay-Delta Standards Between the State of California and the Federal Government (Principles) in a letter to your Board and member agency managers on December 19, 1994. These Principles were signed by representatives of agencies involved in their negotiation, including: Metropolitan, Contra Costa Water District, California Urban Water Agencies, Association of California Water Agencies, San Luis-Delta Mendota Water Authority, Kern County Water Agency, Tulare Lake Basin Water Storage District, Environmental Defense Fund, The Bay Institute, and various State and federal agencies.

Among the Principles is a three year commitment by agricultural and urban water agencies to fund \$60 million annually to help initiate a comprehensive program to address non-outflow related impacts to the Bay-Delta environment (Category III measures). Category III measures include actions to restore habitat conditions related to the following:

1. Unscreened water diversions;
2. Water discharge control and pollution prevention;
3. Legal fishing (sport & commercial);
4. Illegal fishing (poaching);
5. Land-derived salts;
6. Exotic species;
7. Riparian, wetland, and estuarine habitat; and
8. Delta channel alterations/local land-use modifications.

It is anticipated that sources of funding will be secured through a combination of federal and State appropriations, user fees, reprioritization of existing federal and State restoration expenditures, and other sources as required. Legal representatives of interested agencies, including Metropolitan, are presently meeting to discuss the appropriate way to establish a multi-agency Category III account, such as through a joint powers authority or a non-profit organization. It is anticipated that financing provisions for the full restoration fund will be developed later this year.

In order to implement this process expeditiously, Metropolitan received a request from Secretary of the Interior Bruce Babbitt to guarantee that an initial amount of \$10 million annually would be made available for the restoration fund created by the Principles. Metropolitan's willingness to provide the \$10 million "seed money" will not result in Metropolitan contributing more than its fair share to Bay-Delta restoration activities. The Principles explicitly state that Metropolitan's early commitment of funds will be credited to Metropolitan's long-term obligation to fund Bay-Delta restoration measures.

Metropolitan's leadership in providing "seed money" to address Category III measures was a critical step in reaching consensus on the draft Bay-Delta standards and an essential step towards restoring the Bay/Delta. Addressing these measures will provide a solid foundation for a comprehensive environmental planning process that will develop solutions yielding both a stable Bay-Delta environment and a reliable water supply for Southern California.

CEQA will be complied with as appropriate in the implementation of Category III measures.

#### Recommendations

It is recommended that the Board: (1) approve the guarantee set forth in the Principles; (2) approve Appropriation No. 702 for \$10 million from the General Fund to provide "seed money" for funding Category III measures

consistent with this letter for the first year; and (3) authorize the General Manager to expend up to such amount upon creation of institutional arrangements, in form approved by the General Counsel, which accomplish the objectives described herein.

John R. Wodraska  
General Manager

Submitted by:



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Debra C. Man  
Chief of Planning  
and Resources

RDN:cl

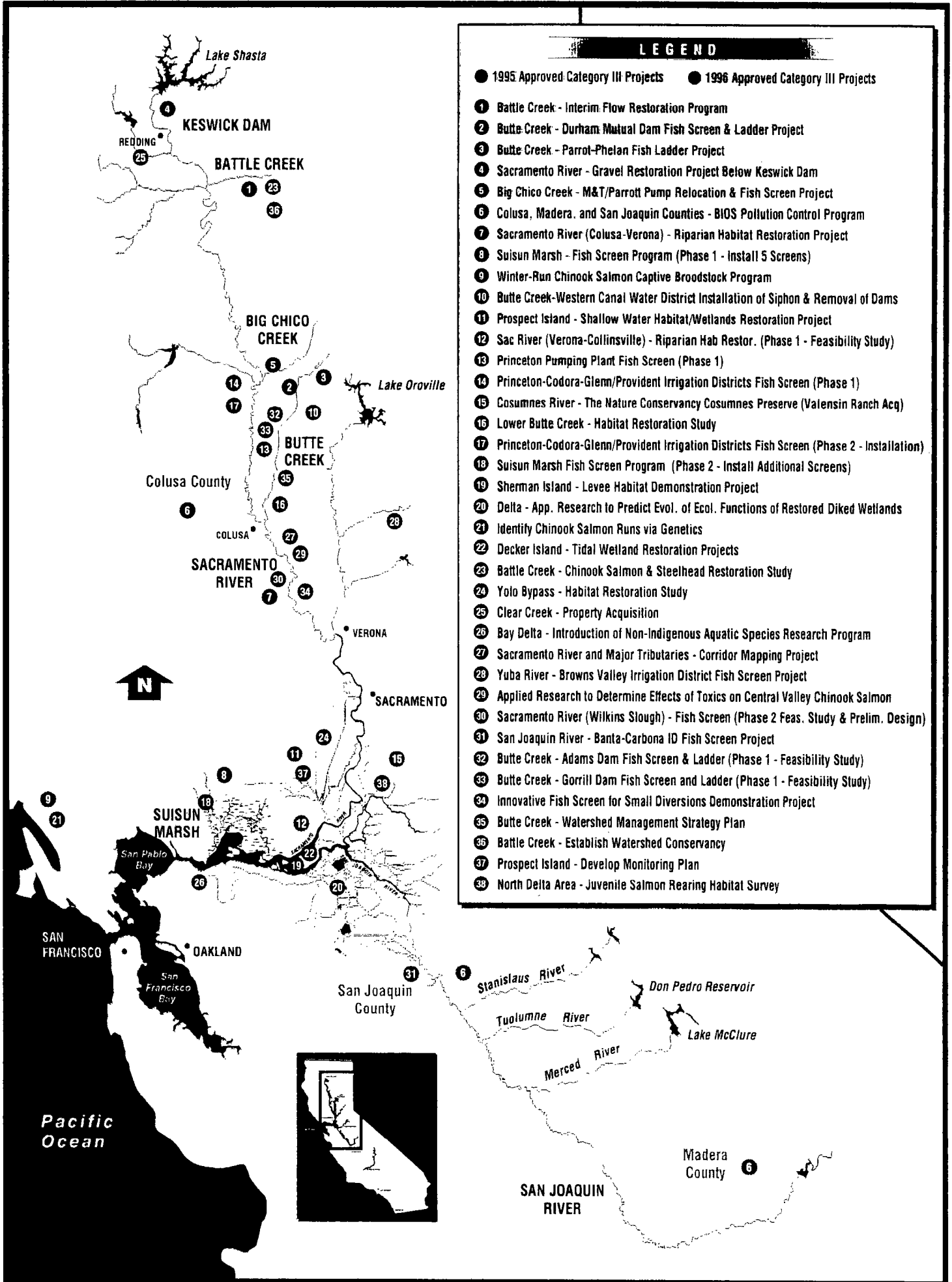
Concur:



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John R. Wodraska  
General Manager

# CATEGORY III 1995-1996 RESTORATION PROJECTS



## LEGEND

- 1995 Approved Category III Projects    ● 1996 Approved Category III Projects
- 1 Battle Creek - Interim Flow Restoration Program
- 2 Butte Creek - Durham Mutual Dam Fish Screen & Ladder Project
- 3 Butte Creek - Parrot-Phelan Fish Ladder Project
- 4 Sacramento River - Gravel Restoration Project Below Keswick Dam
- 5 Big Chico Creek - M&T/Parrott Pump Relocation & Fish Screen Project
- 6 Colusa, Madera, and San Joaquin Counties - BIOS Pollution Control Program
- 7 Sacramento River (Colusa-Verona) - Riparian Habitat Restoration Project
- 8 Suisun Marsh - Fish Screen Program (Phase 1 - Install 5 Screens)
- 9 Winter-Run Chinook Salmon Captive Broodstock Program
- 10 Butte Creek-Western Canal Water District Installation of Siphon & Removal of Dams
- 11 Prospect Island - Shallow Water Habitat/Wetlands Restoration Project
- 12 Sac River (Verona-Collinsville) - Riparian Hab Restor. (Phase 1 - Feasibility Study)
- 13 Princeton Pumping Plant Fish Screen (Phase 1)
- 14 Princeton-Codora-Glenn/Provident Irrigation Districts Fish Screen (Phase 1)
- 15 Cosumnes River - The Nature Conservancy Cosumnes Preserve (Valensin Ranch Acq)
- 16 Lower Butte Creek - Habitat Restoration Study
- 17 Princeton-Codora-Glenn/Provident Irrigation Districts Fish Screen (Phase 2 - Installation)
- 18 Suisun Marsh Fish Screen Program (Phase 2 - Install Additional Screens)
- 19 Sherman Island - Levee Habitat Demonstration Project
- 20 Delta - App. Research to Predict Evol. of Ecol. Functions of Restored Diked Wetlands
- 21 Identify Chinook Salmon Runs via Genetics
- 22 Decker Island - Tidal Wetland Restoration Projects
- 23 Battle Creek - Chinook Salmon & Steelhead Restoration Study
- 24 Yolo Bypass - Habitat Restoration Study
- 25 Clear Creek - Property Acquisition
- 26 Bay Delta - Introduction of Non-Indigenous Aquatic Species Research Program
- 27 Sacramento River and Major Tributaries - Corridor Mapping Project
- 28 Yuba River - Browns Valley Irrigation District Fish Screen Project
- 29 Applied Research to Determine Effects of Toxics on Central Valley Chinook Salmon
- 30 Sacramento River (Wilkins Slough) - Fish Screen (Phase 2 Feas. Study & Prelim. Design)
- 31 San Joaquin River - Banta-Carbona ID Fish Screen Project
- 32 Butte Creek - Adams Dam Fish Screen & Ladder (Phase 1 - Feasibility Study)
- 33 Butte Creek - Gorrill Dam Fish Screen and Ladder (Phase 1 - Feasibility Study)
- 34 Innovative Fish Screen for Small Diversions Demonstration Project
- 35 Butte Creek - Watershed Management Strategy Plan
- 36 Battle Creek - Establish Watershed Conservancy
- 37 Prospect Island - Develop Monitoring Plan
- 38 North Delta Area - Juvenile Salmon Rearing Habitat Survey



**Category III C**  
(Dollar Amount)

Map ID #	Project	CUWA	CVPIA	WCB	DU	DWR	USFWS	USBR	Local	A
1	Battle Creek - Interim Flow Restoration Program	0.0	500.0							
2	Butte Creek - Durham Mutual Dam Fish Screen & Ladder Project	316.5	*\$316.5							
3	Butte Creek - Pattott-Phelan Dam Fish Ladder Project	0.0	100.0	318.0						
4	Sacramento River - Keswick Dam Gravel Restoration Project	0.0	39.4							
5	Big Chico Creek - M&T/Parrott Pump Relocation & Fish Screen Project	1,550.0	2,170.0	500.0	\$150.0		\$150.0			
6	Colusa, Madera, & San Joaquin Co.- BIOS Pollution Control Program	660.0								
7	Sacramento R. - (Colusa to Verona) Riparian Habitat Restoration Project	400.0		140.0	\$20.0					
8	Suisun Marsh - Fish Screen Program (Phase 1 - Install 5 Screens)	450.0	450.0							
9	Winter-run Chinook Salmon Captive Broodstock Program	300.0				\$125.0		125.0		
10	Butte Creek - Western Canal WD Install. of Siphon & Remov. of Dams	2,739.0	2,739.0						2,739.0	
11	Prospect Island - Shallow Water Habitat/Wetlands Restor. Project	2,500.0						2,900.0		3
12	Sacramento R. - (Verona-Collinsville) Rip. Habitat Restor. (Phase 1-Feas.)	500.0								
13	Sacramento R. - Princeton Pumping Plant Fish Screen (Phase 1-Feas.)	75.0	75.0							
14	Habitat Restoration Study	130.0								
15	Cosumnes R. - TNC Cosumnes Preserve (Valensin Ranch Acquisition)	1,500.0	1,250.0	2,650.0				100.0		
16	Sacto R. - Princeton-Codora-Glenn/ Provident Fish Screen-Feasibility	75.0	75.0							
17	Sacto R. - Princeton-Codora-Glenn/ Provident Fish Screen-Installation	5,500.0	*\$5,500.0						500.0	
18	Suisun Marsh - Fish Screen Program (Phase 2 - Install Additional Screens)	500.0	*\$500.0						required	
19	Sherman Island - Levee Habitat Demonstration Project	480.0		*\$50.0		\$150.0			required	
20	Delta - App. Res. to Predict Evol. of Eco. Functions of Restored Diked Wetlands	475.0								
21	Applied Research to Identify Chinook Salmon Runs via Genetics	450.0				\$600.0				
22	Decker Island - Tidal Wetland Restoration Project	399.0								
23	Battle Creek - Chinook Salmon & Steelhead Restoration Study	230.0								
24	Yolo Bypass - Habitat Restoration Study	226.0								
25	Clear Creek - Property Acquisition	211.0	211.0							

Cost Sharing

(Amounts in 1000's)

ACOE	CDFG	NFWF	TNC	AFT	MITI	NAWCA	CTC	P117	CLTRNS	NRCS	P70	IEP	SWRCB	Total
														500.0
														633.0
														418.0
	\$13.1													52.5
														4,520.0
														660.0
														560.0
														900.0
														550.0
														8,217.0
3,750.0														9,150.0
500.0														1,000.0
														150.0
		\$91.0												221.0
		\$150.0	2,000.0	\$250.0	\$200.0	1,000.0	2,000.0	\$400.0	\$250.0	\$250.0				12,000.0
														150.0
											\$100.0			11,600.0
														1,000.0
														680.0
														475.0
														1,050.0
														399.0
														230.0
												*\$30.0		256.0
														422.0

**Category III C**  
(Dollar Amount)

Map ID #	Project	CUWA	CVPIA	WCB	DU	DWR	USFWS	USBR	Local	A
26	Bay/Delta - Intro. of Non-indigenous Aquatic Species Research Program	197.0								
27	Sacramento River and Major Trib.- Corridor Mapping Project	145.2						15.0		
28	Yuba River - Browns Valley ID Fish Screen Project	114.8	*\$114.8						76.5	
29	Applied Res. to Determine Effects of Toxics on Cen. Valley Chinook Salmon	110.0								
30	Sacto R. (Wilkins Slough) - Fish Screen (Phase 2 - Feas. & Prelim. Design)	100.0	100.0							
31	San Joaquin R. - Banta-Carbona ID Fish Screen Project	100.0	100.0							
32	Butte Creek - Adams Dam Fish Screen & Ladder (Phase 1 - Feasibility)	100.0	*\$100.0							
33	Butte Creek - Gorrill Dam Fish Screen & Ladder (Phase 1 - Feasibility)	100.0	*\$100.0							
34	Innovative Fish Screen for Small Diversions Demonstration Project	90.0								
35	Butte Creek - Watershed Management Strategy Plan	83.0					\$160.0			
36	Battle Creek - Chinook Salmon & Establish Watershed Conservancy	50.0	50.0							
37	Prospect Island - Develop Monitoring Plan	35.0								
38	North Delta Area - Juvenile Salmon Rearing Habitat Survey	24.5								
	<b>Total</b>	<b>20,916.0</b>	<b>14,490.7</b>	<b>3,658.0</b>	<b>\$170.0</b>	<b>\$875.0</b>	<b>\$310.0</b>	<b>3,140.0</b>	<b>3,315.5</b>	<b>4</b>

\* Pending Contributions

(CUWA) - California Urban Water Agencies\*\*  
 (CVPIA) - Central Valley Project Improvement Act  
 (WCB) - California Wildlife Conservation Board  
 (DU) - Ducks Unlimited  
 (DWR) - California Department of Water Resources

(USFWS) - US Fish and Wildlife Service  
 (USBR) - US Bureau of Reclamation  
 (Local) - Local cost-sharing  
 (ACOE) - US Army Corps of Engineers  
 (CDFG) - California Department of Fish & Game

(NFWF) - National Fish & Wildlife Foundation  
 (TNC) - The Nature Conservancy  
 (AFT) - American Farmland Trust  
 (MITI) - TNC Mitigation Fund  
 (NAWCA) - North American Water Conservation

\*\* CUWA Contributions (Actual Dollar Amounts)

Metro Water District of So California - \$20,000,000  
 Santa Clara Valley Water District - \$500,000

East Bay Municipal Utilities District - \$500,000  
 Alameda County Water District - \$100,000

San Francisco Public Utilities District - \$500,000  
 Contra Costa Water District - \$500,000

Cost Sharing

(Amounts in 1000's)

ACOE	CDFG	NFWF	TNC	AFT	MITI	NAWCA	CTC	P117	CLTRNS	NRCS	P70	IEP	SWRCB	Total
														197.0
														160.2
														306.0
														110.0
														200.0
														200.0
														200.0
														200.0
														90.0
		\$83.0											*\$40.0	366.0
														100.0
														35.0
			*\$4.3											28.8
4,250.0	\$13.1	\$324.0	2,004.3	\$250.0	\$200.0	1,000.0	2,000.0	\$400.0	\$250.0	\$250.0	\$100.0	\$30.0	\$40.0	57,986.5

& Wildlife Foundation  
 servancy  
 and Trust  
 Funds  
 an Wetlands Conservation Act

(CTC) - California Transportation Commission  
 (P117) - Proposition 117 (Park Bond Act)  
 (CLTRNS) - Caltrans  
 (NRCS) - Natural Resources Conservation Service  
 (P70) - Proposition 70

(IEP) - Interagency Ecological Program  
 (SWRCB) - State Water Res Control Bd

lities Commission - \$500,000  
 rict - \$100,000

## Attachment D

### ECOSYSTEM ROUNDTABLE MEMBERSHIP

<u>Name</u>	<u>Caucus</u>	<u>Affiliation</u>
John Beuttler	Sport Fishery	United Anglers
Nat Bingham	Commercial Fishery	Pacific Coast Federation of Fishermen's Assoc.
Gary Bobker	Environmental	The Bay Institute
Tom Clark	Agricultural	Kern County Water Agency
Bill Gaines	Waterfowl	California Waterfowl Association
Greg Gartrell	Urban	Contra Costa Water District
Richard Golb	Agricultural	Northern California Water Association
Randy Kanouse	Urban	East Bay Municipal Utilities District
Cynthia Koehler	Environmental	Natural Heritage Institute
Jackie McCort	Environmental	Sierra Club
John Mills	Mountain Interests	Regional Council of Rural Counties
Hari Modi	Power	Northern California Power Agency
Jason Peltier	Agricultural	Central Valley Project Water Association
Tim Quinn	Urban	Metropolitan Water District of So. California
Allen Short	Agricultural	Modesto Irrigation District
Walt Wadlow	Urban	Santa Clara Valley Water District
David Yargas	Environmental	Environmental Defense Fund
Tom Zuckerman	Delta Interests	Delta Interests