

April 23, 1999

To: Board of Directors (Water Planning and Resources Committee—Information)

From: General Manager _____

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

Subject: Status Report on CALFED’s Ecosystem Restoration Program

RECOMMENDATION

For information only.

EXECUTIVE SUMMARY

Metropolitan’s \$30 million Category III contribution, pursuant to the 1994 Bay/Delta Accord, played a key role in kick-starting CALFED’s Ecosystem Restoration Program (ERP). When successfully implemented, this program will result in enhanced fish populations and possible relaxations of Endangered Species Act (ESA) “take” restrictions at Delta export facilities that currently restrict operations. A successful ERP is also a key component toward securing a long-term operating agreement and “no surprises” regulatory policy as part of an overall CALFED solution. CALFED’s crediting policy provides that Metropolitan’s Category III contributions will be credited on a dollar-for-dollar basis, adjusted for inflation, as payment towards CALFED’s long-term ecosystem plan. Metropolitan’s monies have leveraged approximately \$1 billion in local, State, and federal ecosystem monies. Metropolitan’s staff plays key roles in determining how these monies are spent. Expenditures have focused on reducing impacts to fish species protected under the State and federal endangered species acts that are negatively impacting Metropolitan’s State Water Project supply reliability.

DETAILED REPORT

In December 1994, the Bay/Delta Accord became a reality in large part as a result of Metropolitan’s commitment of a \$30 million contribution to non-flow related projects (Category III). In addition to providing the necessary balance for the Accord to become a reality, these monies have also played a key role in kick-starting CALFED’s Ecosystem Restoration Program. CALFED’s crediting policy provides that Metropolitan’s contributions will be credited on a dollar-for-dollar basis, adjusted for inflation, as payment towards CALFED’s long-term ecosystem plan.

Close to \$1 billion has been allocated for ecosystem restoration as a part of the CALFED program from various State and federal sources, as shown in Table 1. Through March 1999, \$254 million has been appropriated and \$228 million has been approved for 195 high priority,

early action ecosystem restoration projects. These environmental projects have included fish screening and passage, habitat restoration and acquisition, exotic species management, water quality and temperature improvements, watershed management, improved fish management and hatchery operations, and various essential study efforts.

Table 1. Source of Coordinated Ecosystem Restoration funding for CALFED

SOURCE OF FUNDS	MILLION
MWD and other CUWA	\$32
Proposition 204, Category III	60
Proposition 204, State cost share for Federal projects	93
Proposition 204, other	40
Proposition 204, pending ROD	390
Federal Bay-Delta Act, 1998	85
Federal Bay-Delta Act, 1999	75
Federal President's Proposal, 2000	75
Federal (Pending Extension)	195
EPA Watershed	2
Total Coordinated CALFED Funds	1,047

The decline of fisheries has been a major factor in the reduction of reliability of water supplies from the Bay/Delta. As an indication of declining fish populations, Delta smelt was listed as a threatened species in 1993 and Winter-run chinook salmon was listed as threatened in 1989 and endangered in 1994. During 1993 and 1994, ESA restrictions reduced potential combined State Water Project (SWP) and Central Valley Project (CVP) exports by more than one million acre-feet each year. Lesser reductions in potential exports occurred in 1992, 1996, and 1997. Take limits for these existing ESA listings and for future listings have the potential to cause further reductions or shutdowns at the CVP and the SWP Delta pumps.

Metropolitan staff and consultants have participated at several levels in the CALFED project selection and approval process, including technical review teams, the Integration Panel and the Ecosystem Roundtable.

Of the many early implementation projects being implemented through CALFED's program, the projects on Butte Creek that have been designed to help recovery of Spring-run chinook salmon provides some of the most encouraging progress. Since the early 1960's, Spring-Run returns to Butte Creek averaged several hundred annually. Over the last four years, the following dam removal or fish ladder projects have been completed on Butte Creek: Parrott-Phelan Dam, Western Canal Dam, Durham Mutual Dam, Adams Dam, Gorrill Dam, McGowan Dam and

McPherrin Dam. As a result of excellent hydrologic conditions and these passage improvement projects, Spring-Run returns to Butte Creek exceeded 18,000 fish in 1998.

In December 1994, your Board's action to commit \$30 million to Category III projects was the beginning of an ecosystem restoration program which today approaches \$1 billion. This farsighted action has resulted both directly and indirectly in many projects that are beginning to show results measured directly in increased fish populations.

When successfully implemented, the CALFED ERP will result in enhanced fish populations and possible relaxations of Endangered Species Act (ESA) "take" restrictions at Delta export facilities. A successful ERP is also a key component toward securing a long-term operating agreement and "no surprises" regulatory policy as part of an overall CALFED solution. These important linkages to the reliability of Metropolitan's State Water Project supplies reinforce the importance of your Board's policy to support a balanced CALFED program that can achieve environmental benefits as well as benefits for water supply and water quality.

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