



- **Board of Directors**
Water Planning and Stewardship Committee

12/14/2010 Board Meeting

9-2

Subject

Review of draft Bay Delta Conservation Plan document

Description

Last month a working draft of the Bay Delta Conservation Plan (BDCP) was completed and posted to the BDCP website: <http://baydeltaconservationplan.com/Home.aspx>. The working draft represents the culmination of four years of efforts and an important step toward finalizing the BDCP planning process. While the working draft document is not complete, it reflects significant progress toward consensus with the state and federal agencies, non-governmental organizations, and other Delta stakeholders on a plan to restore the Delta ecosystem and associated sensitive species and provide for improved water supply and reliability.

Description of Proposed Conservation Measures: Several key elements of the plan are reflected in the working draft document. The BDCP Conservation Strategy contained in Chapter 3 outlines the three-tiered approach to improving the Delta ecosystem. Water facilities and operations comprise the first set of conservation actions. A new isolated conveyance facility and new intakes along the northern Sacramento River are central to the overall conservation approach. In the working draft, the isolated conveyance facility has been proposed with a capacity of 15,000 cfs with five on-bank intake facilities each with a maximum capacity of 3,000 cfs. Water operations criteria for the new facilities have been evaluated which would result in approximately 6 million acre-feet on average of water supply (subject to hydrologic conditions). The working draft currently does not contain new near-term operating criteria for the existing State Water Project/Central Valley Project south Delta facilities. Near-term water operations criteria will be developed over the coming months.

The Delta is a highly degraded environment. The Delta has been altered through the construction of levees and waterways, agricultural practices, urban development, and flood control facilities. Restoring natural habitats and ecological processes is a vital element of the BDCP Conservation Strategy. The BDCP contains over 120,000 acres of restored and protected aquatic and terrestrial habitat utilized by the sensitive species protected under the BDCP. The type, quantities, and restoration opportunity areas are detailed in Chapter 3 of the working draft document.

Addressing a variety of other stressors to the aquatic species is the final element to the BDCP Conservation Strategy. Measures to address fishery predation, water quality, illegal harvest, and hatchery practices could reduce mortality of covered fish species and contribute toward the recovery of fish populations. Other actions to address impacts on nutrient levels and the fishery food chain associated with wastewater discharge will be evaluated and may be incorporated into the BDCP through the adaptive management process as further scientific information is developed.

Governance Approach: Much interest has centered on the governance structure for implementation of the BDCP. Metropolitan contributed significantly toward developing a proposed governance structure that provides for meaningful participation by the state and federal water contractors in the decision-making process for implementation of the BDCP. The draft governance structure centers around a new Implementation Office (IO) administered by a dedicated program manager staffed with personnel from state and federal agencies, the State and Federal Contractor Water Agency (SFCWA), and individual water contractors. The IO would be responsible for implementing, coordinating, overseeing, and reporting on all aspects of plan implementation. A ten-member

Implementation Board would be established to help guide the IO. Specifically, the Implementation Board would provide input to the IO on the proposed annual work plan and budget, including the anticipated IO actions associated with the adaptive management program. The SFCWA would be a member of the Implementation Board. Information on the proposed governance structure, roles and responsibilities of the IO and other stakeholders can be found in Chapter 7.

BDCP Cost Estimate: Preliminary cost estimates for the major conservation elements as well as program administration were included in the BDCP working draft document. Costs for the construction of the new conveyance facility, intakes, and ancillary features are currently estimated to be approximately \$12.7 billion, which includes contingencies given the level of design that has been completed. Habitat restoration/preservation and other stressors conservation measures were calculated to be \$3.5 billion and \$1.2 billion, respectively, with costs for program administration equaling approximately \$5.2 million per year. These estimates are preliminary and subject to revision. As such, the cost estimates set out in the working draft will be adjusted as conservation measures will be added or deleted and when more detailed cost information becomes available. Costs for some parts of the conservation strategy (e.g., the monitoring and research program) have not been estimated at this time, as there is need for additional information or refinement to the actions. Also, there has been no allocation of costs between the BDCP participating agencies (water contractors, the state, and federal agencies). The allocation remains to be negotiated. This will be the subject of separate negotiations that will occur over the next several months.

Adaptive Management: Because of the uncertainty surrounding Delta science and the response of the ecosystem and species to the conservation measures, it will be necessary for the BDCP to have flexibility to manage and adjust the implementation strategies throughout the 50-year term of the Plan. The working draft contains a proposed Adaptive Management process where the results of monitoring and science would be used to inform implementation to increase the effectiveness of the conservation measures. The draft Adaptive Management process, which is one of the key elements of any long-term Habitat Conservation Plan/Natural Communities Conservation Plan, is outlined in Section 3.7 of the working draft.

Necessary Steps for Completion of BDCP: Work will continue on many areas of the BDCP. The effects analysis evaluates the impacts to covered species and the benefits expected through the conservation measures. The initial results of the effects analysis are presented in Chapter 5 of the working draft document. Additional effects analysis will focus on more accurately defining the effects of water project operations and better quantify the benefits of habitat and other stressors conservation actions. Near-term operations criteria must be developed to guide operations of the existing south Delta facilities from permit issuance until the new northern facilities are on-line. The proposed near-term operations will be modeled and evaluated to determine hydrodynamic and biological outcomes. Specific elements of the conservation strategy may be refined over the next several months as the result of additional effects analysis.

Benefits to Metropolitan: The BDCP, when approved, would establish the limits of the obligation of California Department of Water Resources and the water contractors for endangered species mitigation in the Delta associated with operations of the State Water Project (SWP) for the 50-year term of the permit. Known as "regulatory assurances" under state and federal endangered species laws, these assurances provide certainty as to future project operations. This type of long term certainty is unavailable under the existing permitting strategy of biological opinions and is a key advantage in pursuing the BDCP. Restoring vital Delta supplies and increasing the reliability of exports are fundamental goals of the BDCP. By focusing on a comprehensive ecosystem approach (rather than just water operations) as a solution to recovering sensitive fish species, the BDCP is expected to provide significant benefits to the species and reverse the need for severe export restrictions imposed through the federal biological opinions. The initial modeling of the proposed long-term operations criteria has demonstrated that a balance between water supplies and ecosystem protections is possible. The BDCP working draft document is a vital step in meeting Metropolitan's strategic goal of restoring critical Delta supplies and securing increased reliability through a stable regulatory process.

Following publication of the BDCP working draft, the state of California is expected to release a report highlighting its perspective on areas of consensus and desired outcomes for outstanding issues. It is uncertain whether the federal agencies will comment on the BDCP working draft document or submit a separate report

similar to the state. Subsequent to the release of the BDCP working draft document, the Westlands Water District and the San Luis & Delta Mendota Water Authority provided notice to withdraw from the BDCP citing concerns about the commitment of the federal government to support the BDCP planning effort. Metropolitan as well as other SWP contractors have expressed support for the BDCP process and a continued commitment to its completion. The current schedule is to complete the draft BDCP for public review in mid-2011, with a final BDCP and associated state and federal endangered species permits in 2012.

Policy

By Minute Item 46878, dated November 14, 2006, the Board authorized execution of the Bay Delta Conservation Plan Cooperation Cost-Share Agreement.

By Minute Item 47135, dated June 12, 2007, the Board adopted the proposed Delta Action Plan.

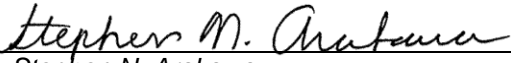
By Minute Item 47735, dated December 9, 2008, the Board authorized execution of the Delta Habitat Conservation and Conveyance Program Memorandum of Agreement and three related funding and management agreements.

By Minute Item 48117, dated December 8, 2009, the Board authorized execution of amendments to the Planning Agreement for the Bay Delta Conservation Plan and the Cooperation Agreement Among Potentially Regulated Entities for Preparation of the Bay Delta Conservation Plan.

By Minute Item 48333, dated July 13, 2010, the Board authorized execution of an amendment to the Delta Habitat Conservation and Conveyance Plan Funding Agreement with the Department of Water Resources.

Fiscal Impact

None



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12/7/2010
Date



Jeffrey Lightlinger
General Manager

12/8/2010
Date