

# Committee on Resources

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## Testimony

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**CALIFORNIA BAY-DELTA WATER COALITION  
STATEMENT IN SUPPORT OF  
THE CALFED BAY-DELTA PROGRAM  
HOUSE RESOURCES COMMITTEE  
SUBCOMMITTEE ON WATER AND POWER  
OVERSIGHT HEARING ON THE CALFED BAY-DELTA PROGRAM  
APRIL 17, 1997**

Mr. Chairman and Members of the Subcommittee, thank you for providing us an opportunity to submit this statement regarding the CALFED Bay-Delta Program on behalf of the California Bay-Delta Water Coalition. The coalition represents a diverse alliance of conservation interests, urban water suppliers, agricultural water users and business leaders working together on water policy issues in California. (Exhibit A is a list of Coalition participants.) The Coalition is currently focused on obtaining sufficient funds to ensure the success of the CALFED Bay-Delta Program. It is these funding issues that are the focus of the Coalition's testimony today.

### SUMMARY

As authorized in October 1996 by P.L. 104-333, Title XI, the California Bay-Delta Environmental Enhancement and Water Security Act ("Bay-Delta Act"), the Administration has included \$143.3 million in the Bureau of Reclamation's FY '98 budget request for the CALFED Bay-Delta Program. *The California Bay-Delta Water Coalition strongly supports this funding level request.*

California's economy is one of the strongest in the world, and that strength is dependent on sufficient and reliable supplies of water. Two-thirds of California's population is dependent on water from the San Francisco Bay-Delta Estuary, a 500-square-mile region supporting an immense diversity and richness of aquatic and terrestrial species and habitats as well as substantial commercial and sport fisheries, several of which are on the verge of extinction. In addition, the estuary and its watershed support considerable acreage of managed wetland habitat for waterfowl that provides a large recreational hunting base. Simultaneously, the Bay-Delta Estuary serves as the primary water supply conveyance system for a massive agricultural economy and millions of municipal and industrial consumers. The conflict between these competing uses has produced significant environmental problems, which have in turn stalled efforts to improve water supply reliability for all interested parties. Thus, restoration of the ecological health of the Bay-Delta Estuary and its watershed is the foundation of all efforts to improve water quality and supply reliability. Similarly, the future viability of commercial and sport fishing on the West Coast is dependent upon solving these complex ecological problems.

The Estuary and its watershed also have important implications for other Western states. For example, this region provides critical nesting and wintering habitat for migratory waterfowl whose seasonal migrations along the Pacific Flyway reach from northern Alaska to the tip of South America. Moreover, a restored salmon fishery in California could benefit fisheries along much of the Pacific Coast and decrease the likelihood of additional listings under the Endangered Species Act (ESA). It must also be recognized that water systems in the Western U.S. are highly inter-related. For example, because Bay-Delta ecosystem restoration will help bring long-term stability and security to California's statewide water system, the Administration's funding request is of substantial importance to other Colorado River Basin states and interests as well as the Republic of Mexico.

### THE CALFED BAY-DELTA PROGRAM IS THE CULMINATION OF YEARS OF EFFORT

The problems facing the Bay-Delta Estuary and its watershed have proven intractable for many years, due not only to the conflicts in the system, but also to the vast array of overlapping and often conflicting mandates of various federal and state agencies. In an historic effort to end the impasse, the federal government and the state of California have

entered into a joint venture to craft a long-term Bay-Delta solution that equitably addresses water problems in four key and inter-related areas: water supply reliability, water quality, ecosystem health, and levee system vulnerability. This venture includes all of the necessary federal and state agencies operating under a framework agreement and is referred to as "the CALFED Bay-Delta Program."

A joint Bay-Delta program staff has been put into place and has been given responsibility for developing the programmatic solutions. This effort has been underway for approximately 18 months. A central tenet of the program is the necessity for, and reliance upon, substantial and substantive input from stakeholders and other members of the general public. The Bay-Delta Program staff have established an extensive system of workshops and technical teams for developing concepts and solutions with the aid of those who work most closely with the systems at issue. Conservation groups, fishermen, urban and agricultural water users, waterfowl associations, the business community and others are actively involved in the solutions process along with the CALFED agencies and the Bay-Delta Program staff.

## **IMMEDIATE SPENDING ON ECOSYSTEM RESTORATION IS A PRIORITY FOR ALL CONCERNED**

Although the CALFED program requires all parts of the long-term solution to move forward together, the CALFED agencies and stakeholder interests have recognized an immediate need to begin implementation of the ecosystem restoration element. The California Bay-Delta Water Coalition strongly endorses this policy for several reasons.

*First*, the ecosystem restoration element of the CALFED program is designed to serve as the foundation for all of the other program elements, because immediate restoration of the ecosystem is necessary to achieve long-term water supply reliability and water quality benefits. Thus, while the CALFED agencies are developing several alternative long-term solutions, an aggressive ecosystem restoration program will be common to all of the alternatives.

*Second*, the federal funds will be used to fund an array of projects and programs that can be undertaken now and will result in immediate ecological benefit. Other projects need to go forward now due to the considerable lead time necessary to produce species and habitat benefits. Given that the ecological systems are complex, an adaptive management approach -- one that allows for modification over time in response to new information -- is essential.

Thus, there is a strong interest among all parties in providing early support for those restoration activities that are either (1) most likely to provide substantial ecological benefits or (2) will supply information that will guide future management and restoration activities. It is also widely accepted that restoration actions will in most cases require substantially greater time to result in either tangible benefits or meaningful new information than other elements of the CALFED program.

## **CALIFORNIA BAY-DELTA WATER COALITION: A KEY ROLE FOR STAKEHOLDERS**

In recognition of the urgent need to lay this all important foundation, the Coalition came together during the summer of 1996 to develop and support an historic state bond measure, Proposition 204, the "Safe, Clean, Reliable Water Supply Act of 1996." Proposition 204 is a \$995 million general obligation water bond containing approximately \$600 million for Bay-Delta ecosystem restoration efforts. Of this, \$60 million is immediately available for ecosystem restoration activities as part of a program referred to as "Category III," and \$93 million is immediately available to fund the state's share of Central Valley Project Improvement Act (CVPIA) implementation costs. (Several other sections of the measure also provide immediate funding for related restoration efforts.) Proposition 204 also created a \$390 million fund as the State's initial contribution to the final CALFED ecosystem restoration program. This fund will not be available until the entire CALFED program has been finalized, some time within the next two years. The measure passed with 63% voter approval, a clear indication of very high levels of state support for improvement of the Bay-Delta Estuary and its watershed and improvements to the water supply system.

The Coalition was also instrumental in building support for H.R. 4126, the California Bay-Delta Environmental Enhancement and Water Security Act (the "Bay-Delta Act"), a new authorization of matching federal funds to support the initial ecosystem restoration elements of the CALFED Bay-Delta Program. H.R. 4126 was enacted as Title XI of

P.L. 104-333, the Omnibus Parks and Public Lands Management Act. An unprecedented level of bipartisan support (48 members of the California delegation co-sponsored the measure), as well as the support of the Clinton and Wilson Administrations, led to quick action in the 104th Congress. The Bay-Delta Act, drafted with Proposition 204 in mind, authorizes the "initial" federal share of both immediate Category III funding and the more comprehensive Bay-Delta ecosystem element. These federal funds will be used in conjunction with existing CVPIA and other restoration programs to support an array of urgently needed ecological improvements including, but not limited to:

- \* Restoration of tidal, shallow water, riparian, instream, wetland, and other habitats;
- \* Improved fish protection and management;
- \* Protection and enhancement of existing habitat;
- \* Expanded wetlands protection program;
- \* Improved ecosystem water quality to support aquatic resources;
- \* Improved habitat management;
- \* Improved management of introduced species;
- \* Identification and addressing of other limiting factors that have impaired ecosystem recovery.

#### **DOI FY '98 BUDGET REQUEST IS APPROPRIATE AND NECESSARY**

Consistent with the Bay-Delta Act, the Administration included \$143.3 million as the first installment of the federal funds for ecosystem restoration activities being developed by the CALFED agencies for FY 1998. In addition, the Administration has committed to funding the remaining amounts, \$143.3 million in each of FY '99 and FY '00. The budget authority of \$143.3 million is included within the Bureau of Reclamation budget. As implementation occurs, it is anticipated that funds will also be transferred to other federal agencies participating in the CALFED Bay-Delta Program. *The Coalition strongly supports this "one-stop" federal line item as an efficient and streamlined approach to funding the interim CALFED ecosystem restoration program.*

The CALFED Bay-Delta program is unique. A major initiative to coordinate the legal mandates and spending of at least seven federal agencies, its decisions will affect a huge watershed and millions of water customers. It is also a partnership with a number of state agencies and coordinates closely with an independent stakeholder funding program. The Coalition strongly supports CALFED's role in such planning and spending efforts, as it is the only means to assure programmatic results that will satisfy all interests. Fragmenting the federal appropriation among the various federal agencies would undermine this critical goal and weaken the coordination already underway.

#### **THE ECOSYSTEM ROUNDTABLE PROCESS PROVIDES FOR CRITICAL STAKEHOLDER INPUT**

In order to establish near-term spending priorities for ecosystem activities and to coordinate state, federal, and associated expenditures, the CALFED agencies have created a Restoration Coordination Program which receives stakeholder input from the Ecosystem Roundtable. The Ecosystem Roundtable is a balanced group representing the various interests involved in Bay-Delta issues and its mission is to help CALFED with near-term project selection for Bay-Delta ecosystem restoration and coordination with other ongoing programs such as the CVPIA. The Roundtable was appointed under the Federal Advisory Committees Act (FACA) and the state equivalent to this statute.

The CALFED agencies and the Ecosystem Roundtable are using an objective, scientifically-based process to identify near-term priorities and fund actions to address those priorities. This process was developed based on the past experiences in administering the Category III program and the CVPIA Restoration Fund, and features extensive coordination with the CVPIA. It is a process that allows flexibility to respond to changing circumstances, to address local interests, and to learn from previous restoration actions.

Both Proposition 204 and the Bay-Delta Act anticipate that the Ecosystem Roundtable structure will serve as the primary decision forum for funds made available under these authorities, until a more permanent entity is developed by CALFED to take on this role.

The Coalition strongly supports the Ecosystem Roundtable process, not only as a rational and logical method of coordinating overlapping agency programs and spending, but as the most effective method for bringing meaningful stakeholder involvement -- and buy-in -- to a problem that has vexed California and many other western states for decades.

### **STATE & LOCAL COST-SHARING HAS ALREADY BEEN COMMITTED**

The Coalition supports the use of matching funds for both interim and long-term ecosystem restoration efforts. As part of the 1994 Bay-Delta Accord, the stakeholders, together with the state and federal signatories, committed to funding a variety of restoration projects. Water users jump-started these efforts by providing an initial \$22 million as seed money for immediate implementation of such projects (commonly called Category III). Another \$10 million will be contributed this year. These funds have already been matched by approximately \$7 million in local and private cost-share funds and are over and above user contributions to other on-going Bay-Delta restoration programs, including nearly \$120 million contributed to the CVPIA Restoration Fund since 1992. In addition, as discussed in some detail above, the State of California is now committed to providing approximately \$600 million through Proposition 204 for Bay-Delta ecosystem restoration purposes. Of this amount, more than \$200 million is available immediately--prior to the completion of CALFED's long-term plan--as are all associated local, user, and stakeholder-contributed funds.

Consistent with these state and stakeholder commitments, Congress authorized, and the President has requested, funding to support the federal share of the Category III program and related restoration efforts in recognition of the significance of these immediate needs to the overall success of the CALFED Bay-Delta program. ***The Coalition believes it is critical that all of the parties to this process -- federal, state, local and stakeholder interests -- contribute financially to the CALFED Bay-Delta Program, and that full funding in support of the Administration's ecosystem restoration funding request is a crucial step in this regard.***

Substantial state and stakeholder funds are already committed for the federal 1998 fiscal year regardless of whether matching federal funds are appropriated for that period. Thus, a formal cost-sharing agreement is not necessary to ensure that any federal appropriation is matched in FY '98. Nevertheless, the Coalition recognizes the general policy of the federal agencies to provide funding pursuant to cost-sharing agreements. Therefore, the Coalition supports the execution of an interim cost-sharing agreement for FY 1998 that facilitates the expenditure of all funds appropriated for the ecosystem restoration element of the CALFED Bay-Delta Program for the FY 1998 funding cycle.

### **CONCLUSION**

The CALFED Bay-Delta Program is bringing state, federal, local and stakeholder interests together in an open and public process to make joint decisions about how to implement ecosystem restoration programs and monitor progress in order to ensure overall success. The CALFED Program has broad responsibility to plan and coordinate a comprehensive, long-term solution to restore the estuary and improve the reliability and quality of Bay-Delta water supplies. It is vital that restoration activities begin now.

Species throughout the Bay-Delta watershed continue to face a host of problems in some cases so severe that they remain candidates for listing under the ESA. Recovery efforts cannot begin without adequate funding. Many projects and programs have already been planned and are ready for implementation. Funding commitments are needed to move restoration activities forward.

Restoring California's Bay-Delta ecosystem is critical to the long-term environmental and economic health of the West and the United States as a whole. Federal support to match California's commitment to restoring the Bay-Delta ecosystem will help safeguard this national treasure for future generations and serve as a model for other regions in the area of ecosystem protection and restoration.

### **CALIFORNIA BAY-DELTA WATER COALITION PARTICIPANTS**

- \_ Alameda County Water District
- \_ Association of California Water Agencies
- \_ California Urban Water Agencies
- \_ California Waterfowl Association
- \_ Calleguas Municipal Water District
- \_ Central Basin Municipal Water District
- \_ Central Coast Water Authority
- \_ Central Valley Project Water Association
- \_ Coachella Valley Water District
- \_ Contra Costa Water District
- \_ East Bay Municipal Utilities District
- \_ Environmental Defense Fund
- \_ Friant Water Users Authority
- \_ Kern County Water Agency
- \_ Long Beach Water Department
- \_ Los Angeles Department of Water and Power
- \_ Metropolitan Water District of Southern California
- \_ Modesto Irrigation District
- \_ Municipal Water District of Orange County
- \_ Natural Heritage Institute
- \_ Northern California Water Association
- \_ San Diego County Water Authority
- \_ San Francisco City and County Water Department
- \_ San Joaquin River Exchange Contractors Water Authority
- \_ San Luis & Delta-Mendota Water Authority
- \_ Santa Clara Valley Water District
- \_ Stockton East Water District
- \_ The Nature Conservancy

\_ Tulare Lake Basin Water Storage District

\_ Turlock Irrigation District

\_ West Basin Municipal Water District

\_ Westlands Water District

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