United States Department of the Interior

BUREAU OF RECLAMATION
Bay-Delta Office
2800 Cottage Way
Sacramento, California 95825-1898

IN REPLY
REFER TO:

BDO-100
PIO-1.10

Ms. Terry Macaulay, P.E.
Deputy Executive Officer
Delta Stewardship Council
980 Ninth Street, Suite 1500
Sacramento, California 95814

Subject: Comments on the 2nd Staff Draft of the Delta Plan

This letter is in response to your informal request at the March 22, 2011, Delta Stewardship Council (DSC) Federal Coordination Meeting for comments on the 2nd Staff Draft of the Delta Plan (Plan). Reclamation would like to express our appreciation of the progress the DSC, DSC staff, and consultants have made to date in developing a management plan for the Delta. We want to affirm our commitment to the co-equal goals that are expressed in California law and appropriately identified in many of the proposed policies in the Delta Plan.

Following are comments we believe are relative to the Federal government in the 2nd staff draft:

- We understand that much work is ahead in clarifying how the Plan may be brought under the purview of the Coastal Zone Management Act (CZMA), and subsequently Federal actions consistent with the Plan. We recommend that the Plan be developed to provide more clarity, or perhaps a separate chapter, on how the DSC envisions Federal government actions may become covered actions through the CZMA.

- At the beginning of chapters 3 – 8 are text boxes that have the words mandatory "regulatory policies", discretionary "recommendations" and regulatory actions. Generally, policies are not mandatory. We suggest using different wording if a policy is meant to be a regulation. Also, we understand covered actions, what would be a regulatory action?

- Throughout the covered action requirements, there is a reference to allocation of costs and risks as if they are linked. Shouldn't the allocation of costs and identification of risks be separate analyses?

- The DSC may want to add annual operation and maintenance plans (including funding sources) to proposed policy GP P1(b) on page 22.

- Does line 13 on page 23 mean to say a monitoring and analysis "*plan*" is necessary at the time of application? It appears to say existing monitoring and analyses data is required at the time of the covered action application.

- Do you anticipate listing Federal policies that are determined to be consistent and inconsistent with the Act as shown in lines 8 and 9 on page 25? If so, we would like to be included in the process of developing the lists relative to Federal policies.

- Reclamation agrees with the public comments of some DSC members that the application of WR P1(c) and (d) on pages 29 and 30 can provide unintended consequences. It seems counter intuitive to put a regulation in place to say all new projects will be inconsistent with the Delta Plan, without a thoughtful analysis relative to the co-equal goals.

- Lines 35 and 36 on page 34 – Application of ER P5 in the sense projects will be deemed inconsistent with the Delta Plan if no new flow standards are adopted seems to be counter intuitive with improving the health of the Delta. Each proposed project should be evaluated on its own merits, even if no new flow standards are adopted by the deadline.

- WQ P1 on page 37 – It would be helpful to proponents of covered actions to describe what is expected to demonstrate "full compliance".

The following comments are specific to Reclamation in the 2nd staff draft:

- We noted that the DSC Council members commented on the need for development of State policy relative to water rights and water transfers. Reclamation is interested to see, or perhaps participate in development of proposed State policy in future Plan drafts relative to Federal Central Valley Project (CVP) water operations issues.

- What is the definition of a water agency as shown on policy WR P2 on page 30? Reclamation is a water management agency in operating the CVP; however the CVP is not an end water user. A definition should be developed to clarify water agencies as users of the water available within the planning area.

- The requirements described in WR P5 on page 31 are not a requirement of the Federal government relative to water transfers through CVP facilities. We envision that the information asked for in this policy would be provided by parties to any transfer of any water involving CVP facilities.

- Relative to the WR P7 on page 31, we understand that the referenced storage program is the same as the CALFED Integrated Surface Storage Program. It is unclear what is meant to integrate each storage project into a proposed conveyance program. To which proposed conveyance program are you referring? The BDCP is not integrating potential increased storage benefits in the planning process.

- Following is a suggested re-write of lines 2-7 on page 52:

  Since the CALFED Record of Decision in 2000, the Department of Water Resources and the Bureau of Reclamation have continued to investigate the viability of adding groundwater and surface storage to the Central Valley Project and/or the State Water Project. DWR published a "Progress Report on the CALFED Surface Storage Investigations" in November 2010 with preliminary findings from the four ongoing surface storage investigations that were included the Stage 1 preferred actions identified in the CALFED Bay-Delta Program's Programmatic

Record Of Decision (ROD) and Environmental Impact Statement / Environmental Impact Report (EIS/EIR). Table 9-2 shows estimated costs for construction (capital costs) and annual operating costs (operations and maintenance costs). In each case, these estimated costs are subject to change as alternatives are refined and to reflect current price-levels in pending feasibility reports and national Environmental Policy Act/California Environmental Quality Act documentation. Cost allocations and financial analyses have not yet been prepared for any of these potential projects.

In 2011, the Contra Costa Water District (CCWD) initiated construction of a 60,000 acre-foot expansion of Los Vaqueros Reservoir. While Department of Water Resources (DWR) and Reclamation funded the planning phase of the project, the CCWD is funding the design and construction costs of approximately $120 Million for increasing the height of the existing dam by about 34 feet, relocating the marina, realigning trails to reflect the new shoreline, upgrading the pump station that fills the reservoir, and establishing mitigation areas.

- Relative to Table 9-2 on page 52, DSC may want to consider revising this table to be consistent with DWR's November 2010 Progress Report. If yes, estimated costs would be up to $3.36 Billion for Upper San Joaquin Basin Storage, $942 Million for Shasta Enlargement, $985 Million for Los Vaqueros Enlargement and $3.62 Billion for North-of-Delta Off-stream Storage (NODOS). Also suggest adding a column to show Estimated Increase in Storage Capacity of up to 1,260 thousand acre feet (TAF) for Upper San Joaquin Basin Storage, 634 TAF for Shasta Enlargement, 160 TAF for Los Vaqueros Enlargement, and 1,900 TAF for NODOS.

- Line 2 on page 54 says "Federal appropriations pay for taxpayers' share of capital costs and require approval of Congress." Please note that if Congress authorizes and provides funding for a new feature to the CVP, that these costs will be subject to the CVP ratesetting policies. Federal water contractors will be subject to repayment of the costs allocated to the Federal water contractors.

Sincerely,

Susan M. Fry
Office Manager

cc: Donald R. Glaser
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