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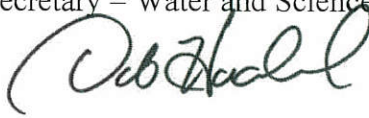


THE SECRETARY OF THE INTERIOR  
WASHINGTON

DEC 15 2022

Memorandum

To: Assistant Secretary for Fish and Wildlife and Parks  
Assistant Secretary – Water and Science

From: Secretary 

Subject: Prior Direction on Implementation of the Central Valley Project Improvement Act

**Introduction**

Secretary David Bernhardt issued a concurrence memorandum on January 19, 2021, regarding activities and collection actions under the Central Valley Project Improvement Act (CVPIA). The legal analysis supporting that memorandum was withdrawn on June 11, 2021. To clarify that Secretary Bernhardt's concurrence memorandum has no further force or effect, this memorandum withdraws the Bernhardt memorandum, its associated directives, and any supporting documents.

**Background**

On January 14, 2021, the Associate Solicitor for the Division of Water Resources provided a memorandum to the Bureau of Reclamation's (Reclamation) Regional Director for the California-Great Basin Region related to the implementation of the CVPIA. In that memorandum, the Associate Solicitor interpreted certain provisions of the CVPIA and made a finding that most of the program activities called for in the CVPIA had been completed for purposes of establishing collections from water and power customers for funding the Central Valley Project (CVP) Restoration Fund. Subsequently, on January 15, 2021, the Assistant Secretary for Fish and Wildlife and Parks and the Assistant Secretary – Water and Science provided the Associate Solicitor's memorandum to Secretary Bernhardt asking for his direction on next steps to implement the Associate Solicitor's advice. On January 19, 2021, Secretary Bernhardt replied to the Assistant Secretaries that he agreed with the findings of the Associate Solicitor's memorandum and directed the Assistant Secretaries to undertake additional review to better understand the impact of implementing the Associate Solicitor's advice.

**Review**

At the start of the Biden-Harris administration, President Biden issued Executive order 13990 (Order), directing that agency heads "review all existing regulations, orders, guidance documents, policies, and any other similar agency actions (agency actions) promulgated, issued, or adopted between January 20, 2017, and January 20, 2021" and "the heads of agencies shall, as

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appropriate and consistent with applicable law, consider suspending, revising, or rescinding the agency actions.”

In accordance with that Order, the Associate Solicitor’s memorandum was reviewed, and a determination was made to rescind it. The Deputy Solicitor for Water Resources issued a memorandum on June 11, 2021, withdrawing the Associate Solicitor’s memorandum based on a finding that it lacked proper Departmental coordination and that it was a potential impediment to achieving the purposes of the CVPIA.

In light of the Deputy Solicitor’s action, I find that there is no longer any basis for Secretary Bernhardt’s concurrence and direction for further review of this issue. Further, having reviewed the Associate Solicitor’s memorandum and the 2009 Central Valley Project Improvement Act Program Activity Report (CPAR), I find that the CPAR generally represents the most appropriate current view regarding determinations related to “completion” as required by CVPIA § 3407(d)(2)(A). More importantly, the CVPIA is an invaluable authority that puts fish and wildlife purposes on par with other CVP project purposes. The CVPIA gives Reclamation the tools necessary to do the important work of restoring the fish and wildlife resources of the Trinity River and the Central Valley. I am therefore rescinding any advice or direction that may fall short of expressing the Department of the Interior’s commitment to the protection of the fish, wildlife, and habitat affected by CVP operations.

### **Conclusion**

Accordingly, I hereby withdraw Secretary Bernhardt’s concurrence memorandum and direct the Assistant Secretary for Fish and Wildlife and Parks and the Assistant Secretary – Water and Science to take no further action on this issue. I disagree with the conclusions in the withdrawn Associate Solicitor’s memorandum and in Secretary Bernhardt’s memorandum supporting those conclusions. Those memoranda are invalid and have no further force or effect. Reclamation shall continue to collect the full mitigation and restoration charges from water and power contracts as directed by the CVPIA and continue to take actions to support restoration and enhancement of the CVP’s natural environment.

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**STATE WATER RESOURCES CONTROL BOARD  
BOARD MEETING SESSION – DIVISION OF WATER RIGHTS  
JANUARY 19, 2023**

**ITEM 8**

**SUBJECT**

UPCOMING ACTIONS TO UPDATE AND IMPLEMENT THE WATER QUALITY CONTROL PLAN FOR THE SAN FRANCISCO BAY/SACRAMENTO-SAN JOAQUIN DELTA.

**DISCUSSION**

The San Francisco Bay/Sacramento-San Joaquin Delta Estuary Water Quality Control Plan (Bay-Delta Plan) establishes water quality objectives to protect beneficial uses of water in the Bay-Delta watershed, including fish and wildlife, municipal, and agricultural uses, and a program of implementation to achieve these objectives. The Bay-Delta watershed is a critical part of California’s water supply system and provides habitat for fish, wildlife, and species with high ecological, economic, and cultural importance. In response to sharp declines and chronically low abundance of multiple native and migratory fish populations, the State Water Board initiated two proceedings to review and update the Bay-Delta Plan flow and water quality objectives for protecting fish and wildlife beneficial uses. The first proceeding, referred to as the Lower San Joaquin River (LSJR)/Southern Delta update, was adopted. That update also included revised salinity objectives for the protection of agricultural beneficial uses in the southern Delta. The second proceeding, referred to as the Sacramento/Delta update, is focused on developing flow related objectives for the reasonable protection of fish and wildlife on the Sacramento River and its tributaries, Delta eastside tributaries (including Calaveras, Cosumnes, and Mokelumne rivers), Delta outflows, and interior Delta flows.

This Informational Item provides an update on the current timeline for completing the Sacramento/Delta update to the Bay-Delta Plan, including consideration of proposed voluntary agreements (VAs), and for implementing the 2018 Bay-Delta Plan amendments for LSJR flows and southern Delta salinity, including consideration of a recent VA proposal for the Tuolumne River.

**POLICY ISSUE**

None at this time. Informational Item.

**FISCAL IMPACT**

None at this time. Informational Item.

**REGIONAL BOARD IMPACT**

None at this time. Informational Item.

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**STAFF RECOMMENDATION**

This item is being brought before the State Water Board for informational purposes only.

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**TERM SHEET FOR VOLUNTARY AGREEMENTS TO UPDATE AND IMPLEMENT THE BAY-DELTA WATER QUALITY CONTROL PLAN**

**March 29, 2022**

Parties signatory to the attached “Memorandum of Understanding” (MOU) propose this “Term Sheet (Term Sheet) for the Voluntary Agreements to Update and Implement the Bay-Delta Water Quality Control Plan” (Bay-Delta Plan).

**1. Purpose.**

**1.1.** Subject to Section 13, this Term Sheet states the essential terms that the Parties will use to finalize the Voluntary Agreements (VAs). The VAs will consist of three types of agreements described in Section 2.2 below.

**1.2.** The VAs will state actions, together with other measures in the Bay-Delta Plan, necessary to implement two water quality objectives in the plan related to protection of native fishes.

A. These objectives are: (1) the existing narrative objective that provides for water quality conditions, together with other measures in the watershed, to achieve doubling of the reference salmon population (1967-1991) (Narrative Salmon Objective); and (2) a new narrative objective to achieve the viability of native fish populations (Narrative Viability Objective).

B. The Parties propose that the State Water Resources Control Board (State Water Board) adopt the following Narrative Viability Objective:

“Maintain water quality conditions, including flow conditions in and from tributaries and into the Delta, together with other measures in the watershed, sufficient to support and maintain the natural production of viable native fish populations. Conditions and measures that reasonably contribute toward maintaining viable native fish populations include, but may not be limited to, (1) flows that support native fish species, including the relative magnitude, duration, timing, temperature, and spatial extent of flows, and (2) conditions within water bodies that enhance spawning, rearing, growth, and migration in order to contribute to improved viability. Indicators of viability include population abundance, spatial extent,

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distribution, structure, genetic and life history diversity, and productivity.\* Flows provided to meet this objective shall be managed in a manner to avoid causing significant adverse impacts to fish and wildlife beneficial uses at other times of the year.

\* The actions the State Water Board and other agencies expect to take to implement this objective are described in section [insert number] of this Plan's Program of Implementation."

- C. The commitments in the VAs will provide the participating parties' share, during implementation of the VAs, to contribute to achieving the Narrative Salmon Objective by 2050.
- 1.3. The VAs will include new flow and other measures, including habitat restoration, subject to adaptive management pursuant to the Governance and Science Programs stated in Sections 9 and 10 below.
  - 1.4. The Parties will request that the State Water Board consider and approve an updated Bay-Delta Plan that includes the VAs as a pathway within the Program of Implementation that, along with other measures required in the plan, implements the Narrative Salmon Objective and Narrative Viability Objective.
    - A. This Term Sheet will be submitted to the State Water Board pursuant to Resolution 2018-0059 (Ordering Paragraph 7), which states:

“The State Water Board directs staff to provide appropriate technical and regulatory information to assist the California Natural Resources Agency in completing a Delta watershed-wide agreement, including potential flow and non-flow measures for the Tuolumne River, and associated analyses no later than March 1, 2019. State Water Board staff will incorporate the Delta watershed-wide agreement, including potential amendments to implement agreements related to the Tuolumne River, as an alternative for a future, comprehensive Bay-Delta Plan update that addresses the reasonable protection of beneficial uses across the Delta watershed, with the goal that comprehensive amendments to the Bay-Delta Plan across the Delta watershed may be presented to the State Water Board for consideration as early as possible after December 1, 2019.”

- B. The Parties request that the Program of Implementation in the updated Bay-Delta Plan include the VAs as a pathway to implement the Narrative Salmon Objective and Narrative Viability Objective, on a finding that the VA pathway in conjunction with the regulatory pathway described in section 1.4(C) will provide reasonable protection of the associated beneficial uses as documented in the SED. The Parties further request that the State Water Board consider the VAs as an alternative to be analyzed in the Substitute Environmental Document (SED) as described in Resolution 2018-0059.
- C. The Parties understand that the State Water Board will include in the Program of Implementation an additional pathway to implement the Narrative Salmon Objective and Narrative Viability Objective. This pathway will apply to tributaries, or persons or entities, not covered by a VA. In this pathway, the State Water Board will use its legal authorities and public processes to establish conditions to require flows and other measures by persons or entities not covered by a VA to provide reasonable protection of beneficial uses associated with the Narrative Salmon Objective and Narrative Viability Objective. The Parties request that the Program of Implementation provide an opportunity for water right holders not covered by a VA to, at a later date, commit to contributions to implement the Narrative Salmon Objective and Narrative Viability Objective under the VAs, as approved by the State Water Board.
- D. The Parties further request that the Program of Implementation include:
- (i). A summary of the VAs as reflected by this Term Sheet, including a summary of any early implementation before the Effective Date of the VAs (defined in Section 7.1);
  - (ii). A Strategic Plan for implementation of the VAs, including adaptive management of flow and habitat restoration measures, pursuant to Section 9.3;
  - (iii). Obligations of the State Water Board, the Parties and others to implement their commitments, pursuant to Section 2.2 and Water Code section 13247;

- (iv). A Governance Program including Annual and Triennial Reports pursuant to Section 9;
- (v). A Science Program pursuant to Section 10; and
- (vi). Procedures for renewal, modification, and extension of the VAs pursuant to Sections 7.4 through 7.5.

## **2. Structure.**

**2.1.** The parties that sign the attached MOU are “VA Parties” for the purpose of this Term Sheet.

**2.2.** The VAs will consist of three types of agreements. These are:

- A. Global Agreement that will describe the VAs’ structure, funding, Science Program, and Governance Program, to be signed by all VA Parties;
- B. Implementing Agreements, each of which will state in detail the measures for a participating tributary, the Sacramento River mainstem, or the Delta, as applicable, each to be signed by those VA Parties with responsibility for implementation of that agreement, including the California Department of Fish and Wildlife (CDFW) and the California Department of Water Resources (CDWR); and
- C. Government Code Section 11415.60 Agreements, each of which will state the specific obligations of those VA Parties responsible for implementation of an Implementing Agreement, along with related regulatory enforcement mechanisms related to flows, habitat restoration and other assurances, each to be signed by such VA Parties and the State Water Board. Each agreement will specify any contingencies outside the reasonable control of the responsible VA Party related to performance of a measure.

**2.3.** The VAs will incorporate flow measures (including any refill criteria and other accounting provisions) as stated in Appendix 1, habitat restoration measures as stated in Appendix 2, funding as stated in Appendix 3, and expected outcomes and metrics as stated in Appendix 4.



3. **Relationship to Prior Proposed Agreements.** This Term Sheet supersedes all previously proposed VA agreements, VA frameworks and/or VA planning documents.<sup>1</sup>
  
4. **Additional Delta Outflows, Tributary Flows, and Habitat.**
  - 4.1. The VA flows described in Appendix 1 will be additive to the Delta outflows required by Revised Water Rights Decision 1641 (Revised D-1641) and resulting from the 2019 Biological Opinions, although the 2019 Biological Opinions may be modified, including to resolve litigation concerning those opinions.
  
  - 4.2. The habitat restoration measures described in Appendix 2 will be additive to physical conditions and regulatory requirements existing as of December 2018, when the State Water Board adopted Resolution 2018-0059. Implementation of such measures by Parties after that date, but prior to execution of the VAs, will be considered as contributing towards implementation of the Narrative Salmon Objective and Narrative Viability Objective.
  
5. **Contributions of Tributary Flows, Delta Outflows, and Habitat Restoration.** The VAs will result in flow and non-flow measures as shown in Appendices 1 and 2 respectively.
  - 5.1. With respect to tributary flows and Delta outflows shown in Appendix 1:
    - A. These flows may be shaped in timing and seasonality, to test biological hypotheses and respond to hydrologic conditions while reasonably protecting beneficial uses. Such shaping will occur through the Governance Program stated in Section 9 below, and subject to the Implementing Agreements and applicable regulatory requirements. The Parties agree a portion of the volumes of water in Appendix 1 will be managed with a priority of providing increased flows in the months of April and May in D, BN, and AN water years to replicate average outflow resulting from the I/E ratio in the 2009 salmonid BiOp as modeled.

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<sup>1</sup> The State signatories stand by the funding commitments contained in the March 2019 Proposed Action as scaled to reflect an 8-year VA term, see Appendix 3.

- B. Such shaping will occur through the Governance Program stated in Section 9 below, and subject to the Implementing Agreements and applicable regulatory requirements.
- C. Flow measures described in Appendix 1 as “Water Purchase Program” or other water purchases will be obtained through a free-market program for single-year transfers, subject to applicable law. The Parties acknowledge that, if the water purchases do not occur, then the VAs will be subject to the provisions of Section 7.4(B)(ii) or (iii).

**5.2.** The Global Agreement and Implementing Agreements will include appropriate provisions that VA Parties (including regulatory agencies) will expedite and coordinate permitting of flow and non-flow measures, consistent with applicable laws.

- A. Each Party acknowledges that a metric for success in the voluntary agreements would be the completion of identified restoration projects.
- B. CDFW will apply innovative uses of its Lake and Streambed Alteration and California Endangered Species Act authorities to expedite permitting of these restoration projects.
- C. The Parties anticipate that the State Water Board will complete and employ its proposed general order for Clean Water Action section 401 Water Quality Certification and waste discharge requirements for restoration projects to expedite permitting of these restoration projects.
- D. The United States Fish and Wildlife Service and National Marine Fisheries Service will use regulatory tools for restoration to expedite permitting of these restoration projects.
- E. California will establish a multi-disciplinary restoration unit of 8 full-time specialists to track, permit and implement these restoration projects. This team will regularly report to Secretaries for Environmental Protection and Natural Resources.

- F. The relevant state and federal agencies involved in implementation of these restoration projects will convene with other VA Parties as part of the governance to update on project delivery.
  - G. The relevant state and federal agencies involved in implementation of the VAs' restoration projects will update the California Governor's Office regularly on status of permitting these projects.
6. **Funding.** The VAs will include the funding commitments shown in Appendix 3. Those commitments will include appropriate assurances of performance, as provided in the Global Agreement. Any Global Agreement executed by the U.S. Fish and Wildlife Service, the U.S Bureau of Reclamation or National Marine Fisheries Service will be subject to appropriations.
7. **Effectiveness, Enforcement, Assurances, and Termination or Renewal.**
- 7.1. The VAs will become effective on the date the Government Code section 11415.60 Agreements are executed. The VAs will remain in effect for a term of 8 years after the Effective Date. For purpose of this Term Sheet, a numbered "Year" refers to the year after the Effective Date.
- A. The Parties with permitting authority recognize their affirmative obligation to move as expeditiously as possible to complete permitting processes prior to Year 1.
  - B. The Parties will request and expect the State Water Board include in the Program of Implementation a process for the Executive Director to recognize unanticipated permitting delays prior to Year 1 and to defer review and performance milestones within the Program of Implementation accordingly to better align the VA implementation with State Water Board's processes. In considering any adjustments under this paragraph, the delay must result from actions or inactions that were beyond the control of the Parties.
- 7.2. The State Water Board will have authority to enforce the flow and non-flow measures relying on Water Code authorities, as provided in the Government Code Section 11415.60 Agreements. The agreements will specify responsible parties and conditions precedent for implementation and related liability for enforcement. The Parties will be accountable to secure their individual funding commitments specified in Appendix 3, as provided in the Global Agreement. It is anticipated that neither the U.S.

Fish and Wildlife Service, nor the U.S. Bureau of Reclamation, nor National Marine Fisheries Service will be participating through a Government Code 11415.60 Agreement.

- 7.3. Through the Government Code Section 11415.60 Agreements, the State Water Board will provide assurances that the VAs state the total obligations of the VA Parties to implement the Narrative Salmon Objective and Narrative Viability Objective for the term of the VAs, subject to Section 7.4.
- 7.4. The Parties propose that, in Year 6, the State Water Board will initiate the process to evaluate and determine the implementation pathway for VA parties after Year 8. The Parties also propose that the Program of Implementation include a process to incorporate consideration of the following information:
- The VA science program’s synthesis of the most current science and analyses of the effects of the VAs’ implementation, consistent with Appendix 4;
  - Past, present, and probable future beneficial uses of water;
  - Environmental characteristics of the Bay-Delta watershed, including the quality of water available thereto;
  - Water quality conditions that could reasonably be achieved through the coordinated control of all factors which affect water quality in the Bay-Delta watershed; and
  - Economic considerations.

At Year 8, the State Water Board will consider potential amendments to the Program of Implementation under the “green”-“yellow”-“red” structure described in Section 7.4.B, which will be informed by the consideration of the scientific analysis and information submitted pursuant to section 7.D. If under the “red” option in Section 7.4B(iii), the VA Parties may present new agreements to fulfill the purpose stated in Section 1.4(B), or the State Water Board will begin implementing the Bay Delta Plan through the additional pathway described in Section 1.4(C).

- A. In Year 6, the State Water Board will issue a notice to initiate the process. It will hold a public informational workshop, at which time the VA Parties will present on their second Triennial Reports and Strategic Plan for Years 6-9. Based on these reports and the

information gathered by the VA Science Committee (as described in Appendix 4), the VA Parties, through the Systemwide Governance Committee, will recommend to the State Water Board whether the VAs should continue for another term with limited modification or if more significant changes to the VA terms are needed. The State Water Board will consider the Systemwide Governance Committee's recommendation and all public comments on the progress of VA implementation, technical information, and the implementation pathway in Year 8.

- B. Following the workshop and after consideration of all comments, the State Water Board will distribute a draft proposed pathway to be implemented for VA Parties after Year 8. In summary form, it will select from three options:
- (i). **Green** – The VAs are substantially achieving the required metrics as described in Appendix 4; and the ecological outcomes analysis described there supports the conclusion that continuing the VA, together with other actions in the Bay-Delta Plan, will result in attainment of the narrative objectives. If so, the VA Parties will continue implementation of VAs without any substantial modification in terms, except for necessary changes to provide for funding and other measures necessary to continue the VAs. Necessary updates to the VA terms (if any) will be determined and the process to renew the VAs will be initiated so that renewed VAs are in place at Year 9.
  - (ii). **Yellow** – The VAs are meeting a significant number of metrics as described in Appendix 4; and the ecological outcomes analysis as described there supports the conclusion that continuing the VAs, together with other actions in the Bay-Delta Plan, will result in attainment of the narrative objectives, but some modifications are needed. If so, the VA Parties will continue implementation with substantive modification in terms. The process to modify the VA terms to address deficiencies will be initiated. Concurrently, the State Water Board will consider alternative means to address deficiencies in achieving the metrics as described in Appendix 4.

(iii). **Red** – A new pathway is required because VAs are not achieving required metrics as described in Appendix 4; and the ecological outcomes analysis as described there does not support the conclusion that continuing the VAs, together with other actions in the Bay-Delta Plan, will result in attainment of the narrative objectives. New agreements will be negotiated, or the Bay-Delta Plan’s Program of Implementation will be implemented through the State Water Board’s regulatory authorities and the VA Parties reserve all rights to fully participate in the related regulatory processes, and potential remedies related thereto.

C. Factors the State Water Board will consider in selecting one of the three options from subsection (B), will include, but not necessarily be limited to:

- (i). Whether permits required for implementation were pursued and available within a reasonable timeframe.
- (ii). Whether VA Parties timely and fully performed VA flow asset commitments.
- (iii). Whether the Triennial Reports analyze progress across the Delta watershed, provide considerations for updating the Strategic Plan, include considerations for updating the VA flow and non-flow measures, and are timely submitted to the State Water Board to inform its triennial review process.
- (iv). Whether the guidance as set forth in the Strategic Plan for the initiation and construction of habitat projects has been achieved.
- (v). Whether VAs were fully funded through Year 8;
- (vi). Whether the Triennial Reports or other sources of reliable information indicate that factors outside of the VAs are impairing the relevant fish species;
- (vii). Whether flows have been adequately protected pursuant to Section 8; and

- (viii). Whether additional funds are available to continue the VA program.
- D. Prior to selecting one of the three options from subsection (B), the State Water Board will:
  - (i). Hold appropriate hearings to review and receive input on the scientific reports, analysis, information, and data generated by the VA Science Program and other sources and receive recommendations on the anticipated effectiveness of continuing or modifying VAs or implementing the regulatory pathway described in Section 1.4(C); and
  - (ii). Conduct a Delta Independent Science Board review to receive input and recommendations on the scientific rationale for continuing or modifying the VAs.
- E. In Year 8, the VA Parties will submit their final Annual Report. The State Water Board will distribute any proposed amendments to the Bay-Delta Plan's Program of Implementation, which will be informed by the consideration of factors in Section 7.4(C), to be implemented after Year 8.
- F. If, by the end of Year 8, no new agreements have been adopted or State Water Board has not yet assigned responsibility for implementing the Bay-Delta Plan through a regulatory pathway described in amendments to that Bay-Delta Plan's Program of Implementation, the original VAs (and their terms concerning water-user funding for flow contributions) will continue, but unless otherwise negotiated, those obligations will not extend beyond 15 years.
- G. In the Government Code section 11415.60 Agreements, the VA Parties and the State Water Board will establish a procedure for timely and effective referral of disputes that arise during any update to the Bay-Delta Plan's Program of Implementation described in Section 7.4. The procedure will promptly involve executive leadership (across the VA Parties) in resolution of disputes that, if unresolved, would involve significant risk of delay in final action.

7.5. The Government Code section 11415.60 Agreements will authorize an extension of the VAs beyond Year 8 to continue until new VAs are adopted or the State Water Board adopts a pathway as described in Section 7.4(B). VA Parties that are water agencies will reserve remedies specified in these agreements.

## 8. Protection of Flows.

- 8.1. The Parties propose to, and anticipate that, the State Water Board will use its legal authorities to protect all flows generated by actions identified in Appendix 1 against diversions for other purposes for the term of the VAs. The VA Parties will support the State Water Board in its proceedings by assisting with developing technically and legally defensible methods to provide these protections. During administrative proceedings, the VA Parties will support the developed protections, provided the VA Parties agree with the authority cited by the State Water Board for the proceedings, the scope of proceedings, and the technical methodology. Prior to the potential adoption of VAs by the State Water Board, the Parties agree to collaboratively identify and resolve any redirected adverse impacts resulting from the implementation of flow contributions identified in Appendix 1.
- 8.2. The Parties anticipate that State Water Board will report annually on what actions the State Water Board has taken to protect these flows from unauthorized uses.
- 8.3. All San Joaquin River watershed flows required as a result of implementing the 2018 Bay Delta Plan Update or VAs will be protected as Delta outflows to the maximum extent feasible, and prior to the State Water Board's adoption of an action to protect the new Delta outflows, the Parties agree to discuss the protection of these flows and collaboratively identify and resolve any redirected adverse impacts to water supply in excess of Appendix 1 contributions resulting from the protection of these flows as Delta outflow.
- 8.4. In coordination with the State Water Board and other Parties, the Department of Water Resources, and the U.S. Bureau of Reclamation will develop accounting procedures to assure that flows and habitat restoration provided under the VAs are additional contributions as stated in Section 4. These procedures will be incorporated into the Implementation



Agreements, as appropriate, and will be subject to approval by the State Water Board.

9. **Governance Program.** The VAs will establish a Governance Program to direct flows and habitat restoration, conduct assessments, develop strategic plans and annual reports, implement a science program, and hire staff and contractors.

- 9.1. **Governance Entities.** VA Parties will formally establish the following entities to govern implementation of the VAs unless a comparable governance entity already exists. Each governance entity will adopt a charter that is consistent with the Global Agreement and applicable Implementing Agreement.

- A. The Systemwide Governance Committee will make recommendations related to deployment of flow and non-flow measures as provided in its charter, oversee Triennial Reports in Years 3 and 6 (and potentially Years 9 and 12, if the VAs are renewed), regarding implementation and effects, any revision to the Strategic Plan in Year 6 (and potentially 12, if the VAs are renewed), and overall coordination of the VA Program. Through the Strategic Plan and otherwise, this committee will assure that implementation is consistent with the terms of applicable Implementing Agreements. This committee may include members from appropriate stakeholders who are not VA Parties.
- B. The Tributary/Delta Governance Entities will be responsible for implementation of Implementing Agreements for which that entity is responsible, including deployment of flow and nonflow measures as specified in those Implementing Agreements, and preparation and submittal of associated Annual Reports to the Systemwide Governance Committee. Each such entity will include VA Parties subject to the applicable agreement.

- 9.2. **Governance Procedures for Flow Measures.**

- A. Tributary flow measures will be subject to implementation in accordance with the recommendation or request of the Systemwide Governance Committee, consistent with rules set forth in the Implementing Agreements. A Tributary Governing Entity may consent but is not required to agree to a recommendation for

implementing a measure in a manner that would be inconsistent with its Implementing Agreement.

- B. Delta flow measures will be subject to implementation in accordance with the recommendation or request of the Delta Governance Entity consistent with rules that will define the scope that the measure is available to be adaptively managed. Such implementation will be coordinated with the Systemwide Governance Committee.

### **9.3. Strategic Plans.**

- A. The VA Parties will propose an initial Strategic Plan for approval in the update to the Bay-Delta Plan, along with other elements of the VAs. The plan will provide multi-year guidance for the implementation of flow and other measures, set priorities to guide the Science Program, and establish reporting procedures related to implementation and effects. The Strategic Plan will be consistent with applicable terms of Implementing Agreements.
- B. The Parties will request that the State Water Board approve the initial Strategic Plan as an element of the Program of Implementation.
- C. The Systemwide Governance Committee may revise the initial Strategic Plan for the purpose of Years 3 and 6, and subsequently as applicable, subject to the State Water Board's review and approval of any adaptive management outside of the limits established in the initial Strategic Plan.

### **9.4. Annual and Triennial Reports.**

- A. The Tributary/Delta Governance Entities will prepare Annual Reports of their implementation of the VAs in the preceding year. The Systemwide Governance Committee will compile and integrate these reports for annual submittal to the State Water Board.
  - (i). Reports will inform adaptive management.
  - (ii). Reports will be technical in nature, identify actions taken, monitoring results, and milestones achieved.

- (iii). Reports will document status and trends of native fish.
- (iv). Reports will document whether commitments for VA asset deployments are being met. Commitments will be documented using a State approved accounting methodology and validated to be true and correct by a third party independent registered professional engineer.
- (v). Reports will document progress toward completion of VA habitat restoration projects. Each report will document permit success in terms of applications submitted, processing timelines, and permits obtained.
- (vi). Reports will document efforts to seek new funding to support program.

- B. In Years 3 and 6, and subsequently as applicable, the Systemwide Governance Committee will prepare a Triennial Report to analyze progress across the Delta watershed and, in coordination with the Tributary/Delta Governance Entities, will submit these reports to the State Water Board.
- C. The State Water Board will hold a public informational workshop on the VAs following receipt of each Triennial Report.

**10. Science Program.** The VAs will include a comprehensive Science Program.

**10.1.** The Science Program will serve the following purposes: (A) inform decision-making by the Systemwide Governance Committee, Tributary/Delta Governance Entities, and VA Parties; (B) track and report progress relative to the metrics and outcomes stated in Appendix 4; (C) reduce management-relevant uncertainty; and (D) provide recommendations on adjusting management actions to the Systemwide Governance Committee, Tributary/Delta Governance Entities and VA Parties.

**10.2.** The Science Program will be guided by the principles of best available science, efficiency, forward-looking perspective, shared risk in addressing uncertainty in data and analyses, transparency, collaboration, and timeliness.

10.3. The Science Program will include the following elements.

- A. Implement specific experiments. The science program will adopt a “safe to fail” experimental approach to maximize learning.
- B. Test hypotheses. The program will identify and test key hypotheses/assertions, especially/even if conflicting, about how the ecosystem functions and what measures will be most effective at achieving desired outcomes.
- C. Learn from the experiments. Ensure that each measure is designed and implemented in a manner that maximizes learning.
- D. Design the experiments to test specific outcomes.
- E. Facilitate a collaborative process. All parties will be engaged in the development and implementation of the science program.
- F. Facilitate a transparent process. All parties will facilitate a transparent process through collaboration, reporting, and open data.
- G. Monitoring. The Science Program will ensure one or more monitoring regimes are developed that will allow the parties to collect data on target species and their habitats necessary to assess the efficacy of flow and non-flow measures

10.4. For purposes of adaptive management, the Science Program will include structured decision-making processes to determine or adjust flow and non-flow measures, direct science efforts, and incorporate outcomes of the testable hypotheses to continue to inform decision-making, consistent with applicable provisions of the Governance Program.

11. **Resolution of Litigation and Other Related Regulatory Proceedings.** The Parties understand the VA contributions, to the maximum extent allowable under law, will be recognized in the resolution of other related regulatory proceedings, including during the pending consultation on ongoing CVP and SWP operations and/or application for a new or amended incidental take permit for operations. As provided in Section 1.3.B of the MOU, the VA Parties will address appropriate resolution of litigation pertaining to other regulatory actions, interim operations in 2023 and 2024, and other regulatory proceedings that relate to the actions described in the Term Sheet.

12. **Early Implementation.** State agencies will work with the VA Parties to implement the following measures before the State Water Board's approval of the VAs in the Program of Implementation, subject to applicable environmental review:
  - 12.1. Dedication of water that can be made available without the establishment of revolving or water purchase funds;
  - 12.2. Dedication of water that can be made available through an identified funding source; and
  - 12.3. Advanced planning and/or implementation of habitat restoration projects that have funding and necessary regulatory approvals, including that available through the \$70M appropriated from Proposition 68.
  
13. **Environmental Review.** The Parties request that the State Water Board consider this Term Sheet, including Appendices 1 through 4, as a proposal in the SED to support the update of the Bay-Delta Plan.
  - 13.1. The Parties will develop a plan for all necessary environmental review for all VA-related implementation actions, including but not limited to use of the programmatic discussion in the State Water Board's SED consistent with applicable law.
  - 13.2. This Term Sheet is not a contract and does not represent a commitment by any Party to approve or implement any project or alternative or otherwise bind any Party to a definite course of action.

**Appendix 1.**  
**Flow Tables**

**Table 1a: New Contributions to Tributary Flow and Delta Outflows in Thousand Acre Feet<sup>1,2,3</sup>**

Source	C (15%) <sup>4</sup>	D (22%)	BN (17%)	AN (14%)	W (32%)
<b>San Joaquin River Basin</b>					
Minimum Placeholder Contributions <sup>5</sup>	48	145	179	112	0
San Joaquin Basin Portion of Gap		11	2	10	
<b>Friant</b>	0	50	50	50	0
<b>Sacramento River Basin<sup>6</sup></b>					
Sacramento <sup>7</sup>	2	102	100	100	0
Feather	0	60	60	60	0
Yuba	0	60	60	60	0
American <sup>8</sup>	30	40	10	10	0
Mokelumne	0	10	20	45	0
Putah <sup>9</sup>	7	6	6	6	0
<b>CVP/SWP Export Reduction<sup>10</sup></b>	0	125	125	175	0
<b>PWA Water Purchase Program</b>					
Fixed Price (see Table 1b)	3	63.5	84.5	99.5	27
Market Price <sup>11</sup>	0	45	45	45	0
<b>Permanent State Water Purchases<sup>12</sup></b>	<b>65</b>	<b>108</b>	<b>9</b>	<b>52</b>	<b>123</b>
<b>Year 1 New Outflow Above Baseline (Low Target)</b>	<b>155</b>	<b>825.5</b>	<b>750.5</b>	<b>824.5</b>	<b>150</b>

**Table 1b: Supporting Details for New Flow Contributions (Table 1a) and Year 8 Water Storage**

	C (15%)	D (22%)	BN (17%)	AN (14%)	W (32%)
<b>PWA Fixed Price Water Purchase Program</b>					
Sac Valley NOD		10	10	10	
CVP SOD		12.5	24.5	35	
WWD SOD <sup>13</sup>	3	6	15	19.5	27
Add CVP SOD <sup>13</sup>		5	5	5	
SWP SOD		30	30	30	
<b>Refill (Mokelumne)<sup>14</sup></b>	<b>0</b>	<b>9</b>	<b>18</b>	<b>13.5</b>	<b>0</b>

**New Water Projects (Before Year 8)<sup>15</sup>**

Chino Basin	0	50	50	0	0
Kern Fan	0	18	18	0	0
Willow Springs Conjunctive Use	0	19	29	0	0

<sup>1</sup> This table reflects status of negotiations as of the date of this Framework. Prior "global gap" to meet adequacy are now reflected as Permanent State Water Purchases.

<sup>2</sup> Outflows additive to baseline and will be provided January through June. A portion of the VAs' flows can be flexibly shaped to other times of year to test biological hypotheses while reasonably protecting beneficial uses. Such shaping will be subject to VAs' governance program. Flows made available through reservoir reoperations will be subject to accounting procedures described in term sheet and all flows will be verified as a contribution above baseline using these accounting procedures.

<sup>3</sup> An assessment based on the accounting procedures to be developed pursuant to Term Sheet section 8.4 will be conducted prior to year 8 of VA to determine if the flows in this table have materialized on average above baseline by water year type. The VA parties acknowledge that, if this analysis does not demonstrate that flows have materialized as shown in this table, then the VAs will be subject to Term Sheet provisions of Section 7.4(B)(ii) or (iii).

<sup>4</sup> C year off-ramps subject to negotiation, but flows in this table must reflect average C year contributions over the term of the VA.

<sup>5</sup> Minimum placeholder contribution for the SJR tributaries equivalent to what would have been provided under the VA. Additional flows above minimum placeholder values will be required in certain year types to satisfy current water quality objectives.

<sup>6</sup> The new flow contributions from the Sacramento River Basin identified in this Table 1a, plus new flow contributions resulting from the below-referenced PWA Water Purchase Program, Permanent State Water Purchases, and PWA Fixed Price Water Purchase Program line items in Tables 1a and 1b, are not intended to result in idling more than 35,000 acres of rice land in the Sacramento River Basin.

<sup>7</sup> VA parties agree that the Sacramento River flow contribution of 100 TAF will be provided during the January through June period, except when it is recommended through the VA governance process that shifting the timing of a portion of this contribution would be in the best interest of the fishery. Recommendations by the VA governance group require approval from the following agencies: National Marine Fisheries Service, California Department of Fish and Wildlife, and the State Water Board.

<sup>8</sup> Contingent on funding groundwater substitution infrastructure to be completed by a subsequent year. These flows are included in the Year 1 subtotal.

<sup>9</sup> Consistent with the safe yield of the Putah Creek Accord (2000).

<sup>10</sup> If, in any year, this level of Exporter contribution would reduce supplies that would otherwise be provided to Exporters to protect M&I Public Health and Safety, then the Exporter contribution will be reduced to avoid reduction of M&I Public Health and Safety water, consistent with operations contemplated in D-1641 and the biological opinions for the coordinated operations of the CVP and SWP to protect health and safety water supplies.

<sup>11</sup> The VA's governance program will be used to determine the use of available funding to provide additional outflow in AN, BN, or W years. If DWR is called upon to provide the water by foregoing SWP exports, such call will be handled through a separate agreement between DWR and its contractors.

<sup>12</sup> State to permanently acquire 65TAF of water in all water year types to contribute to meeting the flow targets specified in row 27 of this table. After applying this 65TAF in all water years a gap of 43TAF will persist in D years and a gap of 58TAF will persist in W years; however, there will be a surplus of 56TAF in BN years and a surplus of 13TAF in AN years. D and W year gaps to filled by redistributing a portion of the PWA water purchase contribution from BN and AN years, and through additional State water purchases in W years.

<sup>13</sup> If flows are not obtained through this source, the equivalent volume would be obtained at market price or otherwise obtained through other mechanisms.

<sup>14</sup> Requires refill commitments or mutually agreeable operational agreement. Refill commitments are not included in tabulation of additive flows since they serve to ensure tributary flow contributions are protected as outflow without injury to other users.

<sup>15</sup> State funding to be secured, and projects to be phased-in, by Year 8.



**Appendix 2.\***  
**Minimum Additive Contributions to Habitat Restoration**

Area	Total Acres <sup>i</sup>
<b>Sacramento Basin</b>	
Sacramento	137.5 (instream), 113.5 (spawning)
Sutter Bypass, Butte Sink, and Colusa Basin	20,000 (floodplain) <sup>ii</sup> , 20,000 (fish food production) <sup>iii</sup> <i>Initial Targets per funding and permitting</i>
Feather	15 (spawning), 5.25 (instream), 1,655 (floodplain) <sup>iv</sup>
Yuba <sup>v</sup>	50 (instream), 100 (floodplain)
American	25 (spawning), 75 (rearing)
Mokelumne	1 (instream), 25 (floodplain)
Putah	1.4 (spawning)
<b>North Delta Arc and Suisun Marsh</b>	5,227.5 <sup>vi</sup>

*\*To expedite the completion of these projects, the State will commit to establish a new, multi-disciplinary restoration unit, with authority to coordinate and work collaboratively to obtain all permits required to implement the restoration activities. The unit will track and permit these projects and seek to: (1) encourage coordination between and among state and federal agencies, (2) avoid repetitive steps in the permitting process, (3) avoid conflicting conditions of approval and permit terms, and (4) provide an expedited path to elevate and resolve permitting challenges.*

<sup>i</sup> This column represents the sum of habitat restoration commitments proposed in the Planning Agreement and habitat restoration acres identified in the State's VA Framework from February 2020 (modified to reflect the 8-yr VA term, State Team's discussion with participants, and modeling analysis).

<sup>ii</sup> Floodplain habitat will be generated via Tisdale Weir and other modifications. Subject to analysis showing that acreage meets suitability criteria.

<sup>iii</sup> Subject to analysis of effectiveness. Water will be pumped onto rice fields, held for a period of time to allow fish food production (e.g., zooplankton), and then discharged to the river for the benefit of native fishes downstream.

<sup>iv</sup> This consists of added instream habitat complexity and side-channel improvements.

<sup>v</sup> This constructed floodplain will be activated at 2,000 cfs.

<sup>vi</sup> This will be tidal wetland and associated floodplain habitats.

**Appendix 3.**  
**Costs to Implement VAs**

<b>Costs to Implement VAs</b>	<b>\$ Million (M)</b>	<b>Notes</b>
<b>Costs in Planning Agreement</b>		
Habitat Construction	\$477	Estimated project costs throughout tributaries.
Voluntary Fallowing	\$268	Upfront payments plus voluntary fallowing in Sacramento and Feather watersheds.
Water Purchases in Various Water Years	\$125	Funding to purchase water from Yuba and upfront water purchase from American.
American River Recharge Project	\$40	Project specified for funding in Planning Agreement.
Science and Adaptive Management Programs	\$104	Estimated costs of science program across all tributaries (\$1M/tributary/year) and Delta (\$3M/year), and adaptive management (\$5M/year).
<b>Subtotal</b>	<b>\$1,014</b>	
<b>Additional Costs to Achieve VAs as Described in this Framework</b>		
Water Development Costs	\$370	Projects that generate Delta outflow. Reflects State's share of awarded Prop 1 WSIP funding.
Additional Water Purchase on Market	\$64	Funding deployed to secure additional flows in certain water years allocated per VA's Governance Program.
Additional Water Purchase with Fixed Price	\$208	
Additional Habitat Restoration per this Framework	\$381	Estimated cost to construct additional habitat identified in this Framework.
Adjusted Science and Adaptive Management Program	\$24	Additional estimated science costs across all participating tributaries (+\$0.5M/tributary/year) and Delta (+\$0.5M/year).
Permanent State water purchases (no defined source)	\$490	Estimated cost of water in various WYT's

Total Estimated Cost Refill	\$25	Estimated cost on Mokelumne (Potential to Operate around and avoid this cost)
Mokelumne AN Water Purchase (30 taf)	\$13	
<b>Subtotal</b>	<b>\$1,575</b>	
<b>Total VA Costs</b>	<b>\$2,589</b>	Aggregated costs from Planning Agreement plus additional costs to achieve commitments per this Framework.

**Table 4.**  
**Funding for VAs' Framework**

<b>Funding Source</b>	<b>Use of Funds</b>	<b>\$ million (M)</b>	<b>Notes</b>
<b>Committed Funding in Proposed Framework (December 2018)</b>			
Water Agencies	CVPIA Funding for VAs' Term	\$80	Approximately \$10M/year for 8 years.
Water Agencies	Water Revolving Fund	\$217 <sup>1</sup>	Generated by \$5/AF charge on state and federal contractors and some other water agencies. Hydrology dependent. Portion required to stay within contributing tributaries.
Water Agencies	Habitat on Mokelumne	\$17	Water agency contribution to habitat on Mokelumne per Planning Agreement
Water Agencies	Structural Science and Habitat Fund (SSHF)	\$124	Generated by \$1-2/AF charge on state and federal contractors and some other water agencies. Portion required to stay within contributing tributaries (Yuba and American).
<b>Subtotal</b>		<b>\$438</b>	
State	Proposition 68	\$165	Explicitly provided in Proposition 68 for water purchases, land fallowing, and habitat projects
State	Proposition 1 Water Storage Investment	\$370	Funding generated by Proposition 1. Requires other funding match from

<sup>1</sup> Dollars in this and the subsequent row are based on historical deliveries on a long-term average. Actual dollars may vary.

	Program (WSIP) for Feather River		individual State Water Contractors (Chino, Kern, and Willow Springs).
Various	CVPIA and State funding allocated to VA habitat projects in March 2019 PD	\$87	Funding from CVPIA, Prop 1, and other grants already allocated to projects identified in the March 2019 PD. Does not include Prop 68 funds.
<b>Subtotal</b>		<b>\$622</b>	
<b>Total Committed Funding</b>		<b>\$1,060</b>	From PWAs, State and Federal combined
<b>Identified New Funding</b>			
Water Agencies	Immediate collection of self-assessment	\$100	Contribution to revolving fund two years prior to VAs' effective date. Any federal funding that is not available in these first two years due to appropriations constraints will be recouped through a surcharge over the 8-year term of the VAs. If federal funding is recouped through a surcharge, each PWA that pays a surcharge will receive credit in the amount of the surcharge paid. The credit shall be applied as soon as possible against a financial obligation the PWA assumes under the VAs.
Water Agencies	Additional funding for water purchases (Water Revolving Fund)	\$130	Funding generated by an additional \$3/AF self-assessment by PWAs.
<b>Subtotal of New Funding from Water Agencies</b>		<b>\$230</b>	
<b>New Funding from State (secured)</b>		<b>\$503</b>	\$200 M from DWR for habitat restoration and \$303 M from CNRA water resilience funds (which total \$445 M)
<b>New Funding from State (unsecured)</b>		<b>\$381</b>	
<b>New Federal Funding (unsecured)</b>		<b>\$740</b>	New federal funding to support habitat restoration throughout tributaries, multi-

			benefit projects, and Sacramento Valley habitat projects.
<b>Total of New Funding Commitments</b>		<b>\$1,854</b>	
<b>Total Funding for VAs</b>		<b>\$2,914</b>	This total exceeds VA costs above because it includes federal funding which is needed for habitat restoration.

## Appendix 4: Metrics, Monitoring, and Outcomes Framework for Assessing VA Effectiveness

This framework, including implementation criteria, habitat suitability and utilization criteria, and the final monitoring framework will be further developed collaboratively by the VA Parties (see Sections 2.1 and 5.2 of VA Term Sheet) in coordination with the State Water Board.

Implementation criteria: Quantitative metrics will be developed to ascertain whether VA commitments are met. Implementation criteria will be established to ensure actions are taken to provide (1) flow volumes by water year type above baseline as specified in Appendix 1, and (2) non-flow assets, including instream and floodplain habitat projects, that meet design criteria, acreage, and other targets. The implementation criteria answer the question: Did we implement the actions we committed to undertake? If not, why not? Consideration will be given for non-party caused implementation hurdles.

Habitat suitability and utilization criteria: Quantitative metrics will be developed for determining if constructed habitat meets predetermined: 1) project level suitability criteria (e.g. depth, velocity, duration); and 2) utilization criteria (e.g. fish presence, food production, juvenile fish movement, fish condition). The habitat suitability and utilization criteria answer the question: Are the constructed and restored habitats providing or likely to provide suitable habitat or food production for target species and life stages and are they being used as intended? Consideration will be given for non-party caused implementation issues and for the time it takes for restoration sites to “mature.”

Monitoring: Before VA year 0, the VA Governance and Science Program will develop a monitoring framework (e.g. species and habitat) to test the specific hypotheses for each of the VA commitments. The framework will include habitat design, suitability, and utilization criteria, which will be subject to approval by DFW, in consultation with USFWS and NMFS, and adopted by the SWB as part of the overall VA. Project specific monitoring plans will be developed through the VA Governance and Science Program. In coordination with the SWB and other VA Parties, CDWR and the U.S. Bureau of Reclamation will develop accounting procedures to assure that flows and habitat restoration provided under the VAs are additional contributions above baseline conditions as defined in Section 4 of this Term Sheet. These procedures will be incorporated into the Implementation Agreements and subject to approval by the State Water Board. Early implementation projects will follow monitoring protocols developed during permitting/granting process, and adjust, as appropriate, once VA governance has developed a framework. The framework will require SWB approval.

Sufficient monitoring of target species and flow and habitat assets deployed over the initial term of the VA will be key to informing the scientific basis and rationale for continuing the VA beyond year 8. Monitoring approaches will vary geographically and by habitat type but should be hypotheses driven and supported by recent data from the watershed or geographic region in question. The goal of this monitoring effort is to ensure species and habitats are monitored correctly and sufficiently to answer the

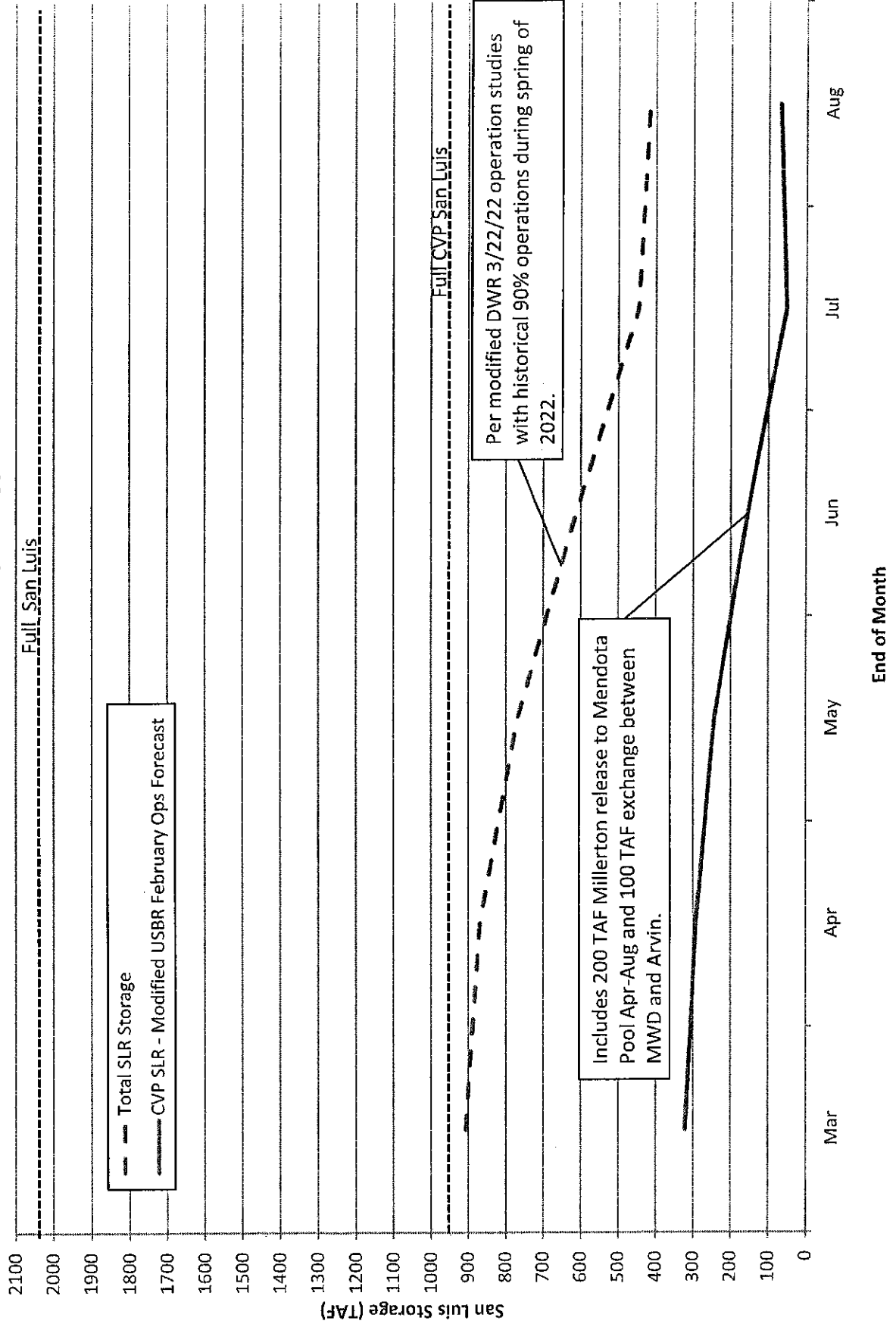
hypotheses as described in the habitat monitoring framework. An illustrative example is provided below:

Habitat Type	Objective	Hypothesis	Monitoring Metrics
<b>Tributary Spawning</b>	<ul style="list-style-type: none"> <li>Increase abundance of fry</li> </ul>	Increase in suitable spawning habitat area increases number of redds and successfully hatched eggs.	<ul style="list-style-type: none"> <li>Number of redds</li> <li>Egg → Fry survival</li> <li>Abiotic parameters</li> </ul>

Ecological outcomes analysis: Prior to year 7 of the VA, a report from the VA governance program will be submitted to the SWB synthesizing the scientific data and information generated by the VA science program, primarily based on the Years 3 and 6 Triennial Reports. The governance and science programs will include, but not be limited to, members of all represented parties in the development of reports and synthesis analysis. This report will document the hypotheses tested and the results, and will demonstrate the scientific basis and rationale for continuing the VA beyond year 8. This report will also synthesize available information and extrapolate from the VA hypothesis testing the expected ecological outcomes from continuing the VA, including quantifying how the continuation of the VA will improve species abundance, ecosystem conditions, and contribute to meeting the WQCP Objectives. The analysis will be informed by a variety of approaches, including monitoring data and models developed over the initial 8-year term of the VA. Sufficient monitoring of target species and flow and habitat assets deployed over the initial term of the VA will be key to informing the scientific basis and rationale for continuing the VA beyond year 8. The ecological outcomes analysis could answer the key questions: What have we learned from flow and non-flow actions implemented under the VA, what combination of flow and non-flow assets maximize ecological benefits, are changes needed to VA assets after Year 8, and how will continuation of the VA effect the overall ecosystem at the population level for target species? Consideration will be given for actions or circumstances outside the control of the VA parties.

# 2021-22 San Luis Storage Projection

## 90% Exceedance Hydrology



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V.

**Anthea Hansen**

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**From:** J. Scott Petersen <scott.petersen@sldmwa.org>  
**Sent:** Thursday, January 5, 2023 5:05 PM  
**To:** J. Scott Petersen  
**Cc:** Aaron Baker; Anthea Hansen; Ara Azhderian; Barbara Mauro ; Beau Correia; Bill Diedrich; Bill Pucheu; Bobby Pierce; Cannon Michael; Chris White; Dan McCurdy; David Weisenberger; Ellen Wehr; James Thoming; Jarrett Martin; Jeff Bryant; Jeff Cattaneo; John Varela; Jose Gutierrez; Kyle Perez; Lance LeVake; Lea Emmons; Lon Martin; Manny Amorelli; Randy Houk; Ricardo Ortega; Richard Santos; Riley Chaney; Steve Wittry; Vince Lucchesi; William Bourdeau; Anthea Hansen; Ara Azhderian; Bobby Pierce; Brad Gleason; Chase Hurley; Chris White; Danny Wade; David Weisenberger; Jarrett Martin; Jeff Bryant; Jeff Cattaneo; John Bennett; John Wiersma; Lea Emmons; Liz Reeves; Lon Martin; Manny Amorelli; Randy Houk; Ricardo Ortega; Rick Callender; Scott Skinner; Stephanie Reyna-Hiestand; Steve Fausone; Vince Lucchesi; Edwin Pattison; Jose Gutierrez; Shelley Cartwright; JRubin@WWD.Ca.Gov; Vincent Gin; Federico Barajas; Pablo Arroyave; Rebecca R. Akroyd; Cynthia Meyer; Rebecca Harms  
**Subject:** San Joaquin Valley Collaborative Action Plan: Water Caucus Priorities for Phase 2  
**Attachments:** CAP Term Sheet - Approved 112222.pdf

Good afternoon Authority Board Members, Alternates, and GMs,

The San Joaquin Valley CAP Steering Committee met prior to the holidays to begin to chart a plan of action to discuss related to advancing to Phase 2 of the Collaborative Action Program. The Term Sheet, adopted by the Plenary Group, is attached herein, which defines the scope of the activities that CAP caucuses have agreed to pursue during Phase 2.

The CAP Water Agency caucus is scheduling a meeting next week to discuss priorities, both projects and policies, to propose to the Steering Committee as priorities for CAP to pursue for the next 18 months. Please review the attached Term Sheet and provide me with any projects or policy priorities that your agency has that you would want to try to advance through the CAP process, by COB Monday, January 9.

If you have any questions or need additional information, please reach out to me and I'll get back to you as soon as possible.

Best, Scott

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J. Scott Petersen, P.E.  
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## CAP TERM SHEET

Approved November 22, 2022

### Mutually Beneficial Gains

The overall guiding principle of CAP is that the goals of the caucuses will be achieved on a mutual basis. All caucuses will share benefits as the program moves forward. No caucus can advance its interests at the expense of others. CAP's governance is designed to assure mutually beneficial outcomes. Each caucus can object to and stop a CAP action from moving forward. This means that each caucus knows that its goals and concerns must be respected and each caucus benefits from working to advance the interests of the other caucuses.

### CAP Desired Outcomes

1. **Safe Drinking Water.** By 2035, all San Joaquin Valley (Valley) residents will have access in a timely manner to safe, reliable, and affordable drinking water no matter the hydrologic conditions. This means prioritizing both interim and long-term water supply and water quality challenges for all residents, including those faced by small communities and domestic well users.
2. **Sustainable Water Supplies.** Sustainable water supplies will be available to support a diverse economy, thriving ecosystems, access to safe, reliable, and affordable drinking water for all Valley residents, and a sustainable level of agricultural production.
3. **Ecosystem Health.** The Valley landscape will increase its habitat areas to support an array of species and healthy aquatic ecosystems, including floodplain, riparian, wetland, on-farm, and upland habitat.
4. **Sustainable Agriculture:** California will continue to provide reliable, safe, and secure food and fiber with industry-leading protections for workers, in-Valley communities, and the environment. The Valley will continue to be a major agricultural resource by preserving as many acres of sustainable farmland as possible while being a good neighbor to communities and ecosystems.
5. **Public Investment in Desired Outcomes:** Sufficient public funds will be invested to support a) the necessary natural and constructed infrastructure to increase supply, b) demand reduction strategies including land repurposing, and c) other investments to accomplish the Desired Outcomes.
6. **Consistent Policies.** State and federal policies and funding will be aligned to advance the Desired Outcomes. Expedited permitting and regulatory review processes will be available for qualified multi benefit projects and other actions to achieve the Desired Outcomes.
7. **Local Government Resources:** Local governments will have adequate resources, staffing, and capacity necessary to play a vital role in the transition to sustainable water resources management in the Valley.
8. **Sound Science.** Decisions will be made using the best available and independent science possible. Adaptive management with monitoring, deployment of the best available technology and outcome accountability will be necessary to maximize the effectiveness of resource decisions.

### CAP Solutions Elements

1. **Safe Drinking Water.** Support state and local agencies and communities in efforts to address data gaps, fund emergency solutions (such as bottled water delivery and well replacement), ensure strong local well mitigation programs, and promote long-term solutions such as consolidation and targeted recharge projects.

2. **Sustainable Water Supplies.** Eliminate the demand-supply gap and long-term overdraft with co-equal efforts to reduce demand and increase supply by prioritizing projects that will benefit multiple stakeholders.
  - a. **Reduce Demand.** Reduce demand via responsible groundwater management and incentivizing landowners to voluntarily repurpose irrigated agricultural lands to other beneficial uses that require little or no water, with compensation to landowners for creating public benefits and water rights reserved by landowners, consistent with applicable GSPs, with a priority for groundwater demand reduction programs where they benefit those reliant on shallow groundwater resources without hindering the ability to replenish aquifers for sustainable agriculture and other beneficial uses.
  - b. **Increase Supply.** As available, increase supply for sustainable agriculture primarily by managing in-Valley and through-Delta flood flows for use and aquifer replenishment.
  - c. **The Delta.** In partnership with Delta interests and stakeholders, conduct a science-based assessment of the Delta with independent scientific experts to-
    - i. Determine how much additional water can be diverted from the Delta during high flow events while protecting ecosystem health and Delta communities, consistent with PPIC May 16, 2022, Policy Brief (PPIC Report).<sup>1</sup> As of the above date, the PPIC Report confirms the availability of increased Delta exports in wet years. CAP will support conducting an assessment of increased Delta exports during high flow events in other year types.
    - ii. Assess the reduction of non-flow stressors in the Delta (e.g., predation, invasive plants, urban effluent, agricultural runoff, disease/competition, changes in food etc.). CAP will support the review of existing studies on non-flow stressors to decide next steps and best investment in further research.
    - iii. Explore reservoir reoperation that takes into account leading edge forecasting technology to serve multiple benefits.
3. **Ecosystem Restoration.** Create one of the largest restoration programs, in part, through voluntary land repurposing of a portion of the Valley's irrigated land to create a range of habitats.
4. **Coordinated Changes in Land Use.** Ensure Valley-wide land use change helps accomplish CAP goals by working through the California Multibenefit Land Repurposing Program and related state programs, while also leveraging federal sources of funding. Ensure outreach and protections for communities and locally defined small farmers through this program. Explore supportive programs for farmworkers who are displaced by land use changes.
5. **Effective Implementation.** Work through the politically diverse CAP coalition to align state and federal policies and funding as informed by units of local government. Implementation measures should ensure additional funding and staffing resources for local governments so that they can play a vital role in transitioning the Valley to sustainable water resource management.

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<sup>1</sup> PPIC Policy Brief: Tracking Where Water Goes in a Changing Sacramento-San Joaquin Delta, May 16, 2022: "Increasing the amount of water stored during wet periods—whether by taking more water out upstream of the Delta, or making the best use of export facilities—has to be done with care for the environment and other water users. But it is possible to do a better job of storing water during wet years—both above and below ground—without doing harm. Improving the management of wet-year supplies is a critical climate change adaptation strategy. This will require identifying cost-effective investment options and adapting operations and regulatory approaches to facilitate capturing more water in wet times."

Blank