

JOINT ANNOUNCEMENT

Q&As

This Q&A document seeks to address a number of specific questions that have arisen relating to the proposed revisions to the Bay Delta Conservation Plan (BDCP). It is intended to complement a number of other documents recently released relating to those revisions, including: The Joint State/Federal Press Release, the Framework Brochure, The Delta – Past, Present and Future document and the State and Federal Principals Joint Recommendations regarding Key Elements of the BDCP.

What is the urgent need for the Bay Delta Conservation Plan (BDCP)?

The Sacramento-San Joaquin River Delta is both a vital ecosystem for hundreds of aquatic and terrestrial species and a critical source of California's water supply. It provides millions of Californians in the Delta, the San Francisco Bay Area, the Central Valley, and Southern California with water supplies that support businesses, homes, and nearly half of the nation's domestically grown fresh produce. It is a responsibility of the state and federal governments to lead the effort to sustain this vital resource.

The Delta of today has experienced significant change over the past 150 years that is likely to accelerate over the next several decades. Subsidence is affecting land within levees and the levees themselves. Climate change is increasing water temperatures, affecting runoff patterns, contributing to more extreme weather events, and causing rising sea levels. These impacts will put increasing strain on the Delta and will contribute to the already significant declines in native fish species. Moreover, seismic risk may represent the most significant threat to the Delta as we know it. Simply put, the status quo is unsustainable from either an environmental or an economic perspective. The BDCP and associated actions represent the best hope for the change needed to achieve the State's policy of co-equal goals and lead to a sustainable future for the Delta.

Has the project changed?

Yes, today's proposal represents elements of a new preferred alternative for consideration as part of the National Environmental Policy Act (NEPA)/California Environmental Quality Act (CEQA) process and calls for the construction of fewer intakes, reduced diversion capacity for water supply, a new collaborative science process to evaluate key operating parameters over the next decade, and accelerated habitat restoration in the Delta. The new proposal and changes to certain aspects of the BDCP are the result of our preliminary analysis of the earlier proposal.

Are the proposed changes final?

No. The proposed project remains a work in progress and some details are still in development (*e.g.* operating criteria that will be subject to the decision tree process). Once the proposed project is fully defined it will be subject to comprehensive analysis, public comment, and review under the federal Endangered Species Act (ESA), California’s Natural Community Conservation Planning Act (NCCPA), and NEPA/CEQA. This includes the ongoing review of a full range of alternatives that encompass a “no action” alternative and facility sizes from 3,000 cubic feet per second (cfs) to 15,000 cfs. Final decisions on the North Delta diversion and conveyance facility will be made only at the end of the environmental and regulatory review process. Ultimately, the BDCP will need to meet applicable statutory standards requirements in order to be permitted.

Why was the number of intakes reduced from five to three?

Reducing the number of intakes goes along with reducing the size of the overall facility. We are recommending a significant change in the overall size of the new facility because we believe that a 9,000 cfs facility reflects a better sizing – taking into account all of the relevant factors – and five intakes are not needed for a smaller facility. In addition, three intakes appears at this time to be the best balance of the size and number of individual intakes to provide the needed 9,000 cfs conveyance capacity. This will reduce the size of the “footprint” of the new structures and thereby reducing the environmental effects of constructing the new intakes on the local communities. Finally, the fewer intakes are projected to be better for migrating fish.

Can the proposed new facility be upgraded to a larger size in the future?

The current proposal is for a 9,000 cfs diversion and conveyance facility, designed to minimize energy use and greenhouse gas emissions associated with its operation. In the future, if it is determined that enlarging the facility and increasing the number of intakes would better serve the co-equal goals, such an increase could be proposed. The new or modified diversion and conveyance facilities that would be required to increase capacity could only be implemented after completing entirely new permit and environmental review processes and complying with all applicable laws and regulations.

How much water will be exported via this new facility? What is the projected annual yield?

At this juncture, the amount of water that will be available for export with the project in place has not been determined because of continued uncertainty about several key operating criteria that directly affect the overall volume. These specific criteria will be the target of an intensive joint science program over the next decade (known as the “decision tree”). The decision tree – described further below -- will generate additional information that will then inform the decisions on these specific criteria prior to actual commencing of operations of the new facility. More information about the potential range of exports and outflows will be available with release of the public draft of the BDCP this fall.

How much will this new facility cost, and who will pay for it?

The final costs of the new facility must be determined through detailed engineering and environmental studies, but it will probably cost around \$14 billion. The costs, including mitigation, will be paid for by the water users receiving water from the facility. Additional costs will be associated with implementing other BDCP measures.

What kind of guarantees for water deliveries are in this proposal and if there are no guarantees, then how do the contractors finance it?

Our package of recommendations does not currently address any specific guarantees of minimum water exports. Whether and how to shape these “assurances” must await further environmental and cost analyses which will be forthcoming in the reviews currently underway.

Is there a risk that billions will be spent on this plan before we find out whether it will accomplish its intended goals?

The available science, significantly improved through the last several years of the BDCP development process, clearly indicates that a new conveyance facility and habitat restoration actions will improve both the Delta ecosystem and water supply reliability. This science is the foundation for the current proposal. The core components of the BDCP are in turn consistent with the recommendations of the Delta Vision Blue Ribbon Task Force, Public Policy Institute of California, and other experts who have studied the Delta. After the BDCP permitting processes are complete and large-scale habitat restoration begins, and ultimately when operation of the new conveyance facility begins and the reversal of natural flows is reduced, the science available to date indicates implementation of BDCP will provide a major contribution to restoration of the Delta. The science and all other aspects of the proposal will be subject to rigorous additional analysis in the NEPA/CEQA process. In addition, water supply reliability will be enhanced by the new flexibility that will exist in using water at times and places less detrimental to native species. Nonetheless, there are still uncertainties in the science and in recognition of that fact the BDCP will include a strong science-based adaptive management program to maximize its effectiveness over time.

Will a thorough, peer reviewed cost-benefit analysis be done on the BDCP proposal?

The cost of BDCP will be well defined. We recognize there are differing perspectives as to the value of the benefits of the BDCP to California. We are committed to accurately assessing those benefits as appropriate. For example, we continue to believe there is significant value and economic benefits associated with a stable regulatory environment for water project operations, particularly when measured against the status quo. An analysis of these benefits will be provided consistent with this new proposal, which is an important aspect to working through the remaining financing issues. We also believe that there is significant value to reversing the declines in native fish species, some of which can be quantified, but much of which cannot be easily valued. It is not appropriate to

strictly weigh the value of protecting endangered species against the costs of protecting them.

These new intakes are very large. What happens if they do not work as planned?

Our proposal includes a set of operational performance standards governing the new fish screens that are intended to be enforceable terms of the facility permits. With careful design and testing, these standards will be achieved, and the permit terms will condition the operations so that they will be achieved.

Is phasing the construction of the intakes still an option?

These recommendations recognize the central importance to all parties of designing, building and operating the intakes in a manner that meets the performance standards to ensure that they work well for fish. Phasing the construction of these intakes remains one of many options that are available to develop a successful program to design, test, evaluate and operate these new intakes, both individually and collectively. More advanced design, testing and analyses are necessary before reaching conclusions on the issues of phasing the construction, as is further described in our recommendations themselves.

What will be the rules governing operations in the 10 year interim between the time the permit is issued and the time the new facility comes on line?

The rules governing operations of the Central Valley Project and State Water Project will be generated by the laws and regulations that currently do and will continue to apply to the projects under the ESA, the Clean Water Act, and parallel state requirements. The existing Biological Opinions (that will be revised according to a court schedule) will govern operations until they are revised or replaced. A new, integrated National Marine Fisheries Service/Fish and Wildlife Service Biological Opinion will be prepared in connection with BDCP which incorporates operations of the Central Valley Project and the State Water Project.

Is there a danger, as some have asserted, that if the new facility is built, there will be an incentive to weaken the environmental laws to allow for maximum pumping for water supply purposes?

The state and federal water projects have had the capacity to export close to 15,000 cubic feet per second of water from the South Delta for decades, but have always been operated in compliance with state and federal endangered species and water quality laws. BDCP would make compliance with those laws much more effective. Accordingly, we believe that the prospect of the environmental laws being weakened is greater without the BDCP than with it, because the BDCP will help to restore the Bay Delta ecosystem and will contribute to the recovery of all the imperiled species in the Bay Delta.

What is a decision tree, and how will it work?

It is fundamental that any new Delta conveyance facility that may ultimately be constructed will be subject to operating conditions intended to achieve the biological goals and objectives of the BDCP. The decision tree process is intended to address the ability of alternative operating criteria, in combination with other conservation measures, to meet the BDCP's biological goals and objectives and ensure water supply reliability through a structured, scientifically-driven process. This decision tree process will produce new scientific information through the testing of specific scientific hypotheses relating to the ability of certain specific alternative operating criteria to contribute to achieving the biological goals and objectives of the BDCP. This information will then be employed to refine these operating criteria based on the best information available after 10-15 years of applied science between the time of permitting and actual operation of the dual conveyance system.

The decision tree will evaluate a range of alternative criteria that may either go “up” or “down” from the operating criteria initially identified in the permit itself. In other words, the operating criteria identified 10-15 years from now may allow for lesser or greater water exports than operating criteria identified today, depending on new insights gained from the additional years of applied science. This approach allows the time necessary to take into consideration the performance of the “early implementation habitat program,” adaptive management on the full suite of conservation measures, and other relevant factors in determining the actual operating criteria at the time the facility commences operations.

Why move ahead with a major construction project now when some critics say we should be doing more for levee repairs, water storage, conservation, desalination and recycling?

First, new conveyance is part of a comprehensive set of restoration actions intended to restore the Delta. Beyond that, there is no doubt that meeting the co-equal goals of Delta restoration and increased water supply reliability requires actions outside the Delta. Major programs are already under way to address concerns associated with levees, storage, desalination, water conservation, and recycling. Some are the exclusive province of local water agencies. Others are assigned by law to other agencies. But they are all important parts of California's overall water policy. And although they are not directly part of the BDCP itself, they all have an important role to play in combination with the BDCP. Today's announcement makes that point clear and highlights that the Brown and Obama Administrations are committed to evaluating mechanisms to sustain and increase investments in these key programs.

If elected representatives of the Delta would support a 3,000 cfs facility, why not build that facility, and then consider modifications/additional capacity if that facility proves insufficient to meet water supply needs while improving the ecology of the Delta?

As a threshold matter, the draft EIR/EIS will analyze a 3,000 cfs facility so we will continue to look at its ability to meet the co-equal goals. The proposal outlined today is

larger because the science is indicating that a larger facility is needed to significantly improve conditions for fish in the South Delta. This improvement is being balanced with the need to minimize disruption in the North Delta which is why the proposed facility was downsized from 15,000 cfs to 9,000 cfs. We also need to consider seismic risk and the potential loss of pumping capability in the South Delta over time. As we've indicated, however, there is more work and analyses to do before any final decisions are made on the ultimate size of the new facility.

What is the role of the fish and wildlife agencies and the public in overseeing the actual operation of the State and Federal water project under BDCP?

Our governance proposal makes clear that the fish and wildlife agencies retain a prominent role as the Permit Oversight Group. Of course, these agencies will establish the terms of the permits. Subsequently, they have final authority to determine compliance with permit terms and to approve any changes to a conservation measure as part of the adaptive management program and to approve changes to water operations in real time.

Apart from the obvious advantages for the urban centers of the Bay Area and Southern California, and Central Valley agriculture, who benefits from BDCP?

When the independent Delta Vision Commission and the state legislature defined the co-equal goals of Delta restoration and water supply reliability, they meant to serve all of California.

- BDCP will improve water quality for our farms and cities and it will help to ensure that the public water supply is available where and when it is needed.
- It restores habitat areas that were lost many decades ago, protects endangered species, and helps to restore the course of natural stream flows in the Delta.
- It will provide billions of dollars of new investments and create tens of thousands of new jobs in the Delta counties and the Bay Area related to both facility construction and habitat restoration.
- It protects Californians from the San Francisco Bay Area to San Diego and all the millions of jobs their businesses provide from the risk of catastrophic failure of our water systems, whether from the effects of climate change, rising sea levels or a major earthquake.
- It gives California's public water managers, at the local, state and federal levels, flexibility to move water to the places where it is needed and consequently lessen the likelihood of reductions in available water supply.
- Delta communities will also benefit from BDCP. In addition to the thousands of new jobs will be created in project construction and operation, including from the habitat restoration program, funding will be provided to implement Delta-oriented projects of local importance from future state bond acts.
- And BDCP helps to guarantee that California will continue to produce an abundance of safe, affordable fruits and vegetables that have been grown to meet the State's high standards for quality.

Have all financial aspects of BDCP been resolved?

The exact mechanism of financing all aspects of BDCP, including habitat restoration, must still be determined and is a prerequisite to the Plan being permitted. One fundamental principle that will apply is that new facilities and their mitigation will be paid for by the water users. The financing issues will be a primary area of focus of discussions over the next three months.

Is additional water storage necessary to make BDCP work?

No. While additional storage is viewed by many as an important action for achieving statewide water supply reliability, it is not a necessary part of BDCP. Successful implementation of BDCP will make any new storage project more effective.

Does BDCP take climate change into account?

Yes. All BDCP planning and computer modeling assumes climate change will occur. BDCP assumes sea level rise and rising temperatures. Climate change will make preserving species and water supplies much more difficult. BDCP is designed to accommodate the climate change we know is coming.

How will the legitimate concerns and needs of the Delta counties, communities and agriculture be addressed?

A stakeholder Council with very strong representation from the Delta will interact with BDCP managers, and provide advice on how to design and operate the project. Mitigation of project impacts in the Delta will be provided. Every opportunity will be provided to the counties to interact with BDCP, and all county land use and other regulations will be given careful consideration. Funding from future state bond acts will assist the counties in implementing needed Delta-oriented water and other projects.

How does BDCP treat factors other than water operations, such as invasive species and pollutants?

BDCP recognizes that several “other stressors” in addition to water operations affect conditions in the Delta. Some of these other stressors are within the authority of BDCP agencies to address and will be included as conservation measures. For those stressors that are outside the authority of the BDCP agencies, BDCP participating agencies will work with other agencies to see that the stressors are appropriately addressed. The adaptive management component of the BDCP will monitor and assess conditions and may make changes based on improvements in other stressors.