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CALFED'S CROSS-CUT BUDGET

OVERSIGHT HEARING

BEFORE THE

SUBCOMMITTEE ON WATER AND POWER

OF THE

COMMITTEE ON RESOURCES
U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED EIGHTH CONGRESS

FIRST SESSION

May 15, 2003

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OVERSIGHT HEARING ON CALFED'S CROSS-CUT BUDGET

Thursday, May 15, 2003
U.S. House of Representatives
Subcommittee on Water and Power
Committee on Resources
Washington, DC

The Subcommittee met, pursuant to notice, at 10:06 a.m., in room 1324, Longworth House Office Building, Hon. Ken Calvert [Chairman of the Subcommittee] presiding.

Present: Representatives Calvert, Radanovich, Nunes, Napolitano, Dooley, and Inslee.

STATEMENT OF THE HON. KEN CALVERT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. CALVERT. The Subcommittee on Water and Power will come to order.

The Subcommittee is meeting today to hear testimony on CALFED's Cross-cut Budget. Under Committee Rule 4(g), the Chairman and the Ranking Minority Member can make opening statements; if any other members have statements, they can be included in the hearing record under unanimous consent.

I ask unanimous consent that all representatives who may come today have permission to sit on the dais and participate in the hearing if they do come. If there is no objection, so ordered.

For nearly two decades, Californians and the Federal Government have grappled with a decreasing water supply in the face of drought, infrastructure limitations, and increasing environmental water demands. CALFED was conceived to help restore and resolve these growing conflicts and foster cooperation between the Federal Government, California, and other interests.

Many envision CALFED as an innovative way to better coordinate Federal and State initiatives. Under this effort, Federal and State agencies would work together to ensure that taxpayer dollars were wisely spent to achieve CALFED objectives.

However, many stakeholders believe that CALFED's Federal and State agencies are now carrying out policies in isolation and without the intended balance. Essentially, CALFED's decisionmaking and accountability have been questioned.

For these reasons, Congress this year required the executive branch to deliver a CALFED cross-cut budget displaying past,

current, and projected expenditures. This disclosure budget will help determine how Federal and State agencies are cooperating and coordinating their actions and identifying project priorities. It will give Congress and the public insight into how these decisions are made, whether benchmarks have been set, and how coordination can be improved.

The cross-cut budget will provide Congress a first step in passing CALFED legislation which brings more accountability, streamlining, and focus to the program. Above all, a properly drafted cross-cut budget could serve as an accountable way of determining how our dollars are spent on other multi-agency Western water projects like in the Klamath Basin.

Today we are honored to have two witnesses who have first-hand knowledge of the CALFED Program, and we certainly thank both of you for accepting our invitation to be here today and look forward to your testimony.

With that, I am more than pleased to recognize Mrs. Napolitano, the ranking Democratic member, for any statement she may have.

[The prepared statement of Mr. Calvert follows:]

Statement of The Honorable Ken Calvert, Chairman, Subcommittee on Water and Power

For nearly two decades, Californians and the Federal Government have grappled with decreasing water supply in the face of drought, infrastructure limitations and increasing environmental water demands. CALFED was conceived to help resolve these growing conflicts and foster cooperation between the Federal Government, California and other interests.

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The cross-cut budget will provide Congress a first step in passing CALFED legislation which brings more accountability, streamlining and focus to the Program. Above all, a properly drafted cross-cut budget could serve as an accountable way of determining how our dollars are spent on other multi-agency western water projects like that in the Klamath basin.

Today, we are honored to have two witnesses who have first-hand knowledge of the CALFED Program. We thank you both for accepting our invitation to be here today and look forward to your testimony.

STATEMENT OF THE HON. GRACE F. NAPOLITANO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mrs. NAPOLITANO. Thank you, Mr. Chair. It is a pleasure working with you.

I offer my most sincere appreciation for your convening this hearing and for insisting that our administration produce a CALFED cross-cut budget as is required by law.

The budget document we received yesterday, and that I spent a few hours, up until past midnight, trying to decipher—not

necessarily knowing what I was looking at—is complex and mysterious, and I certainly look forward to the testimony this morning and hope that it will clarify a little bit of the perplexity I had in my mind last night and that some of the questions that we may have will be addressed and answered.

Much of the debate over the CALFED legislation centers on the implementation of the CALFED ROD, the Record of Decision. I was under the impression that the CALFED ROD was carefully worked out during the stakeholder process and that the ROD is the centerpiece of the program—more or less the guidebook for all agencies, all of our Federal agencies and State agencies—that Congress and the public can look to as a point of reference as it moves forward.

Apparently this Administration does not share the view stated in the testimony that they only support concepts in the ROD. Frankly, Mr. Chairman, that is kind of lukewarm support from the Administration and it is not good enough. The stakeholders, our agencies, Congress, have supported the Bay-Delta Program for nearly 9 years, and the ROD is now nearly 3 years old. If this program is to succeed in solving California's water programs and reducing water conflicts in our State, we have to move forward past the talking stage and get things done, under way, funded.

It is not helpful to learn that our main partner in this effort has only conceptual support for the implementation of this program. Mr. Chairman, our communities in Southern California have been ready to go. We can produce the recycled water. We can build the de-salting plants we need to reduce our dependence on Northern California, the Bay-Delta, and the Colorado River. We can reduce enough to hopefully meet the 4.4 by 2016.

But this Administration needs to commit their help with these projects. They have instead made clear their intention to terminate the Title XVI Water Recycling Program, one of our most promising, useful, and popular Federal water programs in the history of our Nation. Is this Administration planning the same fate for CALFED, hoping the State of California will be there to take on more and more responsibility for funding the CALFED projects, or are they waiting for individuals to pass legislation to fund them?

Mr. Chair, I believe we can still enact legislation to implement the CALFED ROD, and I hope we will have the enthusiastic support from the Administration that we have from this Committee.

Thank you.

Mr. CALVERT. I thank the gentlelady.

Are there any other opening statements?

Mr. Nunes.

STATEMENT OF THE HON. DEVIN NUNES, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. NUNES. Thank you, Mr. Chairman, and thank you for your continued commitment to the CALFED process. I know how you really want to get a bill to the House floor this year, and I agree with you.

However, I want to make sure that this Committee ensures that the State of California develops new yield instead of continuing down this process of no new storage for the State of California. In reviewing the budget yesterday, I was concerned in Category A and

B funding, there is $27 million for storage and $269 million for ecosystem restoration. I am not against ecosystem restoration; however, ultimately, if we do not develop new water supplies in the State of California, we are going to continue to have these recurring issues, for example, the Colorado River issue.

I am very interested today to hear Mr. Peltier and Mr. Wright comment on this process and where we are, especially in regard to new storage facilities.

I want to thank you for coming and you, Mr. Chairman, for holding this hearing.

Mr. CALVERT. I thank the gentleman.

Mr. Dooley, any opening statement?

Mr. DOOLEY. No, Mr. Chairman.

Mr. CALVERT. I think it is appropriate that we have this meeting today, especially with the news in the last couple of days in regard to the quantification settlement agreement in California. As we all know, in California, all water is related even though we are here today to talk about CALFED. It is a very fragile agreement, and we may lose hundreds of thousands of acre-feet of water per year if we cannot close the loop on this deal, and that makes this process that much more important. And certainly, as Mrs. Napolitano has mentioned, Title XVI and reclamation projects and other water development projects in California are even more critical if in fact this does not come together—this so-called soft landing is not going to be so soft.

So with that, we have our panel today—Mr. Jason Peltier, Special Assistant to the Assistant Secretary for Water and Science, U.S. Department of the Interior, and he is accompanied by the following Federal agencies to comment if necessary: Mr. Mark C. Charlton, Deputy District Engineer, Sacramento District, the United States Army Corps of Engineers; the honorable Mack Gray, Deputy Under Secretary for Conservation, U.S. Department of Agriculture; Mr. Tim Fontaine, Staff Director, Resource Management Staff, Environmental Protection Agency; and Mr. Jim Lecky, Assistant Regional Administrator for the Southwest Region for NOAA Fisheries, National Oceanic and Atmospheric Administration.

And of course, our second witness is Mr. Patrick Wright, who is Director of the California Bay-Delta Authority, our man on the ground in California.

With that, I will first recognize Mr. Peltier.

STATEMENTS OF JASON PELTIER, SPECIAL ASSISTANT TO THE ASSISTANT SECRETARY FOR WATER AND SCIENCE, U.S. DEPARTMENT OF THE INTERIOR, ACCOMPANIED BY MARK C. CHARLTON, DEPUTY DISTRICT ENGINEER, SACRAMENTO DISTRICT, U.S. ARMY CORPS OF ENGINEERS; MACK GRAY, DEPUTY UNDER SECRETARY FOR CONSERVATION, U.S. DEPARTMENT OF AGRICULTURE; TIM FONTAINE, STAFF DIRECTOR, RESOURCE MANAGEMENT STAFF, U.S. ENVIRONMENTAL PROTECTION AGENCY, AND JIM LECKY, ASSISTANT REGIONAL ADMINISTRATOR, SOUTHWEST REGION FOR NOAA FISHERIES, NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

Mr. PELTIER. Thank you, Mr. Chairman and members of the Committee. It is a pleasure to be here with you and provide some insight on the work that has been going on recently in California and over at OMB to prepare a cross-cut budget.

My testimony will focus on several things—one, how the cross-cut was developed; two, what the overall numbers look like for the last 4 years, and I will talk about planning and governance; and then I will close with the need that we see, that we share with you, for getting authorization legislation passed.

OMB has prepared and provided to the Committee the cross-cut budget information that you have had this week to review. The purposes of preparing the cross-cut are twofold—first, to compile a comprehensive list of Federal and State programs and projects that contribute to or complement CALFED program goals and objectives; second, to coordinate the implementation of all those programs. I think that you will see in these listings a very serious and in-depth commitment of the Administration and of the Federal Government to making CALFED work.

I think the important difference that you are going to hear between what I say and what Patrick Wright is going to say in terms of characterizing the cross-cut has to do with the Category A and Category B discussion, and I think it is important up front to make sure that we are clear on what the distinction is.

Category A programs are programs that are specifically identified in the ROD or totally aligned with the CALFED Program, if you will; and Category B are those related programs, other agency programs, that are ongoing, that the many Federal agencies have in place.

When OMB initially provided a cross-cut to you last month, you asked that they go back and do some more work on it and provide a more expansive look at what all Federal activities are related to CALFED, and that has resulted in this cross-cut budget that you have in front of you which includes Categories A and B.

I think it is important—one thing the process and the production of these documents revealed was the amount of money that we see going from the many agencies into the CALFED solution program and related programs, and I would like to highlight a few over the last 4 years, a few areas where the Federal investment has been quite substantial: In the Ecosystem Restoration Program, $249 million; in the Water Use Efficiency Program, $103 million; Drinking Water Quality, $35 million; Storage, $27 million; Science, $43 million; and Integrated Regional Water Management, $189 million.

Those are just some of the highlight numbers of the overall program.

I should note that the budget cross-cut data may be different than you have seen in prior summaries, and the differences can be attributed to two things. Projected budgets are being overcome by actual appropriations during reporting cycles, and reporting funding for Category B programs and projects that previously had not been included is here today so that the numbers are kind of a moving target. In fact, I would say the whole cross-cut is an evolving reporting mechanism. And I share with you, Mr. Chairman, your observations about the value of the cross-cut in terms of, for us as a management tool, for you as an oversight tool and as something for the public to see and understand what the program is all about.

Let me end there on cross-cut and talk briefly about governance. California, as Patrick Wright will explain, has passed governance legislation establishing the authority in California. In the current process, Federal agencies continue to participate with their State counterparts; CALFED continues to run as before when the Authority was created. We are participating on a voluntary basis. We are not voting members of the Authority, but we are fully engaged in the planning and implementation processes as they proceed. If Congress passes legislation authorizing us to be members of the Authority, the relationship with them will evolve even further.

In conclusion, I would just like to reiterate what Secretary Norton has said and Assistant Secretary Raley have said repeatedly, that we are anxious to see a bill passed, getting the CALFED Program authorized so we can move forward without the questions and limitations that we currently have relative to our authorities.

Thank you.

Mr. CALVERT. I thank the gentleman.

[The prepared statement of Mr. Peltier follows:]

Statement of Jason Peltier, Special Assistant to the Secretary for Water and Science, U.S. Department of the Interior

Introduction

Chairman Calvert and members of the Subcommittee, I appreciate the opportunity to appear before you today to discuss the CALFED Bay–Delta Program's Budget Crosscut. My testimony will focus on the development and composition of the Fiscal Years 2001–2004 Federal Budget Crosscut, current Federal and State agency coordination, and concerns regarding future authorizing legislation. I look forward to working with this Committee and all our fellow CALFED agencies to achieve our goals.

The Administration supports the CALFED program and the concepts embedded in the CALFED Bay–Delta Program Record of Decision (ROD), which set forth the activities to be undertaken under CALFED. In particular, we support the principle of balanced progress across all elements of the Program. We recognize there is a long history of conflict over many of the issues CALFED addresses. Without balanced, integrated progress, conflict and stalemate results and all stakeholders and resources suffer. By implementing a broad range of complementary programs in a balanced manner, CALFED can ensure that the interests of all agencies and stakeholders are recognized and addressed.

The objectives of the CALFED Program are to: (1) provide good water quality for all beneficial uses; (2) improve and increase aquatic and terrestrial habitats and improve ecological functions in the Bay–Delta to support sustainable populations of diverse and valuable plant and animal species; (3) reduce the imbalance between Bay–Delta water supplies and current and projected beneficial uses dependent on the Bay–Delta system; and (4) reduce the risks that would result from catastrophic breaching of Delta levees.

The CALFED Program holds significant promise for all who benefit from the use of the Bay–Delta and for restoration of the Bay–Delta's ecological health. However, our ability to move forward on a broad basis is limited until the Program is authorized. To that end, we share your desire to see legislation introduced that would provide Federal agencies with the necessary Program authorization to advance CALFED plan implementation efforts, while recognizing the fiscal realities of the State and Federal budgets.

Budget Crosscut

The idea of a CALFED Budget Crosscut pre-dated the CALFED Bay–Delta Program ROD and was formally adopted by the participating Federal and State agencies and acknowledged in Attachment 3 to the Implementation Memorandum of Understanding (MOU) to the CALFED Bay–Delta Program ROD. The purposes of establishing the Budget Crosscut were to (1) identify a comprehensive list of programs and projects being implemented by Federal and State agencies in the defined geographic area that contributed to or complemented the CALFED goals and objectives; and (2) coordinate the implementation of those programs and projects both from a planning and financial aspect so as to maximize resource benefits and financial efficiencies.

The geographic area as defined in the CALFED Programmatic EIR/EIS encompasses both the "problem area," the Suisun Bay/Suisun Marsh and Delta, and the "solution area," the Delta Region, Bay Region, Sacramento River Region, San Joaquin River Region, and other State Water Project (SWP) and Central Valley Project (CVP) Service Areas. A map of the CALFED Bay–Delta Program Programmatic EIR/EIS Study Area is attached for reference. In order to acknowledge other contributing Federal program and project funds, the solution area is further defined to include the counties served by the SWP and/or the CVP.

The participating Federal and State agencies identified two groups of programs and projects, known as "Category A" and "Category B", that contribute to achieving the CALFED ROD objectives within the geographic solution area. Category A programs include those programs and/or projects that are consistent with the program goals, objectives, and priorities of the ROD and contribute benefits within the CALFED geographic solution area. These are recognized by the participating CALFED agencies as integrated into the planning and implementation of the CALFED Program and consistent with implementation principles and commitments set forth in the ROD. Category B includes those programs and/or projects and funds that have related and overlapping program objectives, whose geographic area overlaps with the CALFED geographic solution area. Category B programs and projects are coordinated by the agencies, but not necessarily integrated into the CALFED planning and funding process. Based on these guidelines, each agency delineates the programs that constitute their Category A and B activities. The initial list of CALFED Category A & B State and Federal Programs, attached to the ROD Implementation MOU, has been revised to include new programs and projects as appropriate and agreed upon by the agency with program and funding authority. Attached is a revised version of the initial list reflecting those programs and projects that Federal agencies agree should be reflected in the Budget Crosscut.

Semi-annually, the participating CALFED agencies compile a Budget Crosscut that consists of both Federal and State funding for Category A&B programs and projects. My remarks today are limited to the Federal component of that budget. The budget information is grouped by CALFED Program elements—Ecosystem Restoration, Environmental Water Account, Water Use Efficiency, Water Transfers, Watershed, Drinking Water Quality, Levees, Storage, Conveyance, Science, Water Supply Reliability, and Oversight & Coordination—and identified by the authorized agency and/or appropriation. After enactment of fiscal year spending bills, the second version of the Budget Crosscut is compiled to reflect actual appropriations for the Category A & B programs and projects. The data by fiscal year is displayed in the CALFED Program's Annual Report and utilized in developing Program element planning/priority documents.

Multi–Year Budget Crosscut

Attached is the Federal Budget Crosscut which displays by fiscal year all CALFED Bay–Delta Program-related expenditures by the Federal Government, actual and projected, for Fiscal Year 2001 through 2004. Generally, the Fiscal Year 2001 and 2002 numbers represent agency obligated appropriations; the Fiscal Year 2003 funds are stipulated by agency as enacted or apportioned appropriations; and the Fiscal Year 2004 numbers are part of the President's proposed budget. Funds are reported by fiscal year by the agency receiving the appropriation, and apportioned amounts are provided, where feasible, when the total program/project funding

is attributable to efforts beyond CALFED objectives/geographic area. In some cases, agencies cannot currently predict their full Fiscal Year 2003 or Fiscal Year 2004 funding due to the fact that a portion of their funds are awarded through competitive processes and the amount to be applied in the CALFED solution area is currently unknown. The absence of these Fiscal Year 2003 and Fiscal Year 2004 amounts prevents a simple comparison of total funds to previous years.

The budget data presented may not conform to prior submissions of similar information provided by the combined Federal agencies, or individual agencies or the California Bay–Delta Authority. The difference is attributable primarily to the Federal agencies reporting funding for Category B programs and projects that previously had not been included in publicized Budget Crosscuts. In order to reflect more accurately the true Federal investment, these programs and funds are incorporated in the multi-year Budget Crosscut developed by the Office of Management and Budget in consultation with the participating Federal agencies.

State and Federal Agency Program Coordination

The level of collaboration and coordination achieved among the stakeholders and Federal and State agencies having interests in the Bay–Delta estuary, has been key to the success of the CALFED Program. The "ClubFED" side of the CALFED Program reflects a cooperative planning and coordination effort among ten Federal agencies, including, within the Department of the Interior, the U.S. Fish and Wildlife Service, U.S. Bureau of Reclamation, U.S. Geological Survey, and Bureau of Land Management, as well as the U.S. Environmental Protection Agency, National Marine Fisheries Service, U.S. Forest Service, Natural Resources Conservation Service, U.S. Army Corps of Engineers, and Western Area Power Administration.

The enactment of California Senate Bill 1653 established a new state entity, the CALFED Bay–Delta Authority (Authority), in the Resources Agency with the general purpose of implementing the CALFED Bay–Delta Program. The Authority consists of 6 named state agencies, 6 named Federal agencies (Department of the Interior, Fish and Wildlife Service, Bureau of Reclamation, Corps of Engineers, NOAA Fisheries, and the Environmental Protection Agency), 7 public members, a member from the Bay–Delta Public Advisory Committee (Federal advisory group), and 4 nonvoting members of the Legislature. The Governor of California, in consultation with Secretary Norton, is actively considering the appointment of the 5 public members representing regional aspects of the CALFED Program. These appointments are anticipated shortly.

Federal participation in the Authority is voluntary and non-voting until acceptable Federal authorizing language is enacted. In the absence of Federal authorization, the ClubFED agencies have agreed upon the following interim interaction and coordination goals: (1) continue the cooperation between participating Federal and State agencies; (2) seek permanent oversight and coordination of the CALFED Program provided decision-making authority on budgets and project/program level efforts remains vested with individual agencies; and (3) continue to operate in accordance with the CALFED ROD Implementation MOU and the Management Group MOU until the Authority is operating.

The existing CALFED ROD Implementation MOU was executed before the creation of the new State Authority. Accordingly, some of the provisions of the Implementation MOU are out of date. The ClubFED agencies have been working with their State counterparts to draft appropriate revisions to the Implementation MOU to reflect the role of the new Authority. A result of the coordination between implementing Federal and State agencies is the development of multi-year Program Plans that describe each Program element—goals, objectives, priorities, proposed budgets, and major tasks, products and schedules. Each Program Plan also includes an assessment of the previous year and integration efforts across Program elements. The Program Plans are used by the Federal and State agencies to manage program implementation over the ensuing year and guide agency budget requests. The Bay–Delta Public Advisory Committee and the Authority use the Program Plans to assess overall progress, funding needs, program balance, and to make recommendations to the implementing agencies. The Program Plans serve as a tool for the implementing agencies and others to ensure each Program element is meeting ROD objectives, has sufficient funding, and is coordinated with other Program elements.

Authorization Concerns

Despite the progress that has been accomplished through existing agency authorizations, the Administration has some budgetary concerns you may consider in drafting authorizing legislation:

Cross–Cut Appropriation. As previously noted, the Federal side of the CALFED Program is a cooperative planning and coordination effort among ten Federal

agencies. In order to reduce inefficiencies and further improve agency participation and recognition, the Department of the Interior believes we should consider a broader allocation of appropriations among the participating implementing Federal agencies. This would be a departure from the centralized appropriations made to the Bureau of Reclamation under the 1996 Bay–Delta Act that funded Program planning and early ecosystem restoration activities. A cross-cut appropriation would more accurately reflect the contributions of the participating Federal agencies and lessen the risk to other Reclamation funded programs and projects in the Western States.

Long–Term Cost of the Program. We are concerned that the overall cost, including the current and future financial exposure of the United States to the programs and initiatives identified in the CALFED ROD, may not be sustainable. Legislation should authorize an integrated program that can reasonably be expected to be fully funded in the current fiscal climate. Failure to authorize affordable CALFED program components may jeopardize the progress of a balanced CALFED Program.

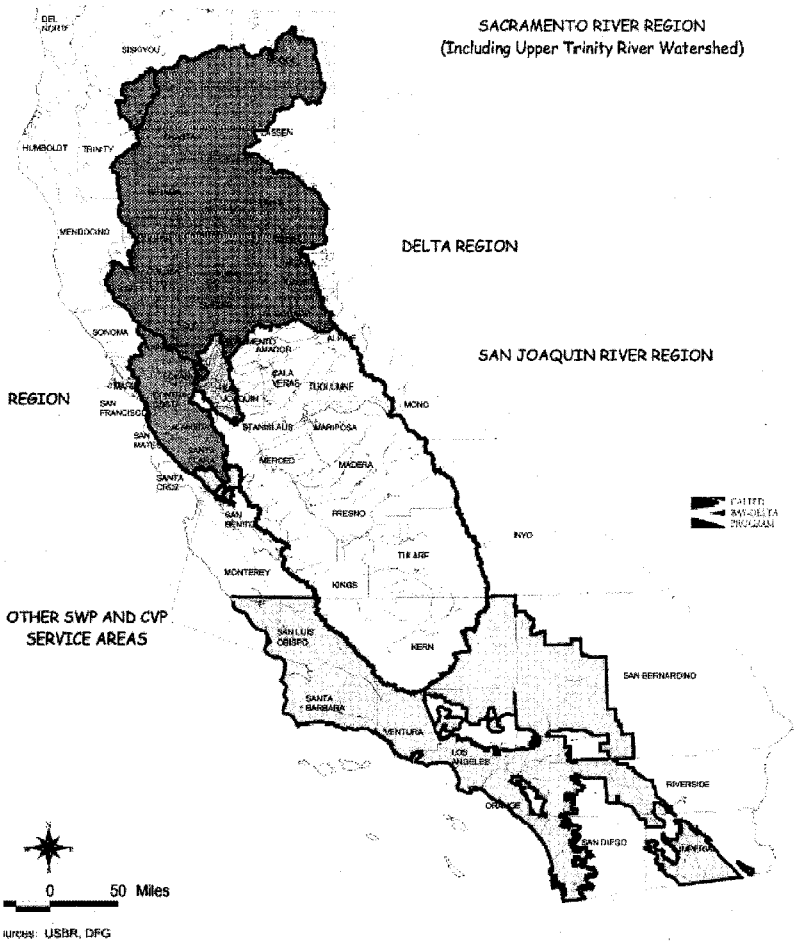
Conclusion

The Bay–Delta is a region of critical importance to California. Through Federal, State, and public collaborative implementing efforts, progress has been made in improving water supply reliability and the ecological health of the Bay–Delta Estuary. The Federal contributions to these efforts are reflected in the attached Budget Crosscut table and program list. While the Administration is encouraged by the accomplishments to date under the CALFED Bay–Delta Program, your support of the Program through enactment of authorizing programmatic legislation and associated funding for the participating Federal agencies is fundamental to continuing Federal implementation efforts under the Bay–Delta Program.

This concludes my testimony. Mr. Chairman, I would like to reiterate my appreciation to the Committee and others for continuing to work with the Administration to address the significant water issues facing California. I would be happy to answer any questions.

Attachments.

1. CALFED Bay–Delta Program Programmatic EIR/EIS Study Area Map
2. Revised List of CALFED Category A & B State and Federal Programs
3. CALFED Bay–Delta Program Cross–Cut Federal Budget for Fiscal Years 2001–2004



CALFED Bay-Delta Program Programmatic EIS/EIR Study Area

CALFED Bay-Delta Program
Category A & B State and Federal Programs
Revised Listing of Federal Programs

The attached table details the recent changes to Category A and Category B listings for Federal programs. It has four columns:

Program Element/Agency: The name of the state or federal agency, or the program name. Note that state agencies or programs are un-shaded, and federal agencies or programs are shaded green. The agency and program acronyms mentioned in the table are defined below:

STATE AGENCY	FEDERAL AGENCY
CBDA - California Bay-Delta Authority	USBR - US Bureau of Reclamation
DWR - California Department of Water Resources	USFWS - US Fish and Wildlife Service
SWRCB - State Water Resources Control Board	USGS - US Geological Survey
Resources - California Resources Agency	USDA/NRCS - Natural Resource Conservation Service
Rec Board - The Reclamation Board	USFS - US Forest Service
DFG - California Department of Fish and Game	NMFS - National Marine Fisheries Service
WCB - State Water Control Board	USACE - US Army Corps of Engineers
CDFA - California Department of Food and Agriculture	USEPA - US Environmental Protection Agency
DOC - California Department of Conservation	
DPC - Delta Protection Commission	
DHS - California Department of Health Services	
Parks - California Department of Parks and Recreation	
SLC - State Lands Commission	
DBW - California Department of Boating and Waterways	
CDFFP - California Department of Forestry and Fire Protection	

Category A Program (Funding Source): If an activity is considered to fit the definitions of Category A, it is listed here. This lists the name of the activity, and if appropriate the specific authorization or account.

Category B Program (Funding Source): If an activity is considered to fit the definitions of Category B, it is listed here. This lists the name of the activity, and if appropriate the specific authorization or account.

Identification of Changes: This column explains why a program moved from being counted in one category to another, or whether it is newly being included in the CALFED budget cross-cut, due to a more robust definition of what counts toward spending on CALFED-related activities.

Spending Categories: The table breaks activities into one of the following categories:

- Ecosystem Restoration
- Environmental Water Account
- Water Use Efficiency
- Water Transfers
- Watershed
- Drinking Water Quality
- Levees
- Storage
- Conveyance
- Science Program
- Oversight and Coordination
- Water Supply Reliability
- Desalination
- Integrated Regional Water Management

CALFED Bay-Delta Program Category A & B State and Federal Programs
Revised Federal Listing
May 4, 2003

Program Element/ Agency	Category A Programs (Funding Source)	Category B Programs (Funding Source)	Identification of Changes
Ecosystem Restoration			
CBDA	DWR Program 15 FY 01-02 BCP (GF)		NEW
	Ecosystem Restoration Program Implementation (Prop 50, Ch 7, Section 79550(e))		NEW
Resources	CALFED Bay-Delta Program Ecosystem Rest. (Prop 204, Ch 7 $390 mil)		
DWR	Fish Passage Improvements Program (Prop 204, GF)		NEW
	Salinity & Selenium Reduction Program (Prop 204)		NEW
	San Joaquin River Restoration Program - Friant Water Users & NRDC (Prop 13, Ch 9, Art 4 - Interim Reliable Water Supply)		NEW
	Bay Delta Environmental Water Quality - Low Dissolved Oxygen (Prop 13, Ch 9, Art 3, Sec 79196.5, subsection b) - funding provided to CBDA		Move from Water Quality to ERP because EWQ is managed under ERP
	Bay Delta Environmental Water Quality - Abandoned Mine Drainage (Prop 13, Ch 9, Art 3, Sec 79196.5, subsection a) - funding provided to CBDA		Move from Water Quality to ERP because EWQ is managed under ERP
	CVPIA State Cost Share (Prop 204)		
	Four Pumps Agreement (State Water Project (SWP))		
	Ecosystem Restoration Program Implementation (Prop 50, Ch 7, Section 79550(e))		NEW
		Urban Streams and Flood Protection Corridor (Prop 13)	
		Suisun Marsh Protection (SWP, General Fund (GF))	
Rec Board		Sacramento San Joaquin Comprehensive Study	Move from DWR to Rec Board
DFG	Ecosystem Restoration Program Implementation (GF, Prop 50, Ch 7, Section 79550(e))		NEW
	CVPIA State Cost Share (Prop 204)		
		Lands and Natural Areas Program (multiple funds)	
		Watershed Program/Trinity portions	
		Restoration Programs (multiple funds)	
WCB		Land Acquisition and Habitat Restoration Programs (Prop 40, Wildlife Restoration Fund (WRF), Habitat Conservation Fund (HCF))	Question - should Prop 40 be included, or dropped?
	Cosumnes River (Prop 13 River Protection Program)		NEW
		Inland Wetlands Conservation Program (WRF, HCF)	
		California Riparian Habitat Conservation Program (WRF, HCF)	
		Integrated Regional Water Management (Prop 50, Ch 8)	NEW
CDFA		Biological Control Program - Weed Group (GF, USDA-Agricultural Research Service (yellow starthistle), USDOD-USACE (yellow starthistle))	NEW
		Weed Management Area Program (GF)	NEW
		Integrated Pest Control Branch - Hydrilla Eradication Program (GF, HWRF, Agricultural Fund, Reimbursable Funds)	
DOC		Farmlands Conservancy Program	NEW

Program Element (Agency)	Category A Programs (Funding Source)	Category B Programs (Funding Source)	Identification of Changes
Parks	Sacramento, San Joaquin, and Cosumnes River Corridors (Prop 12 - $13 million one time FY 00-01)		
		Land Acquisition and Restoration (multiple funds)	
SLC		Land Acquisition and Conservation (Kapiloff Land Bank)	
DBW		~~Egeria & Water Hyacinth Management Programs (Harbors and Watercraft Revolving Fund (HWRF))~~	
USBR		Suisun Marsh Protection (Water & Related Resources (W&RR)	
		CVPIA, b(1)other, CAMP (RF, W&RR)	NEW.
	CVPIA, Anadromous Fish Restoration Program & Anadromous Fish Screen Program (Restoration Fund (RF))		
	CVPIA, Butte Creek restoration (W&RR)		
	CVPIA, Clear Creek Restoration (RF, W&RR)		
	CVPIA, Dedicated Project Yield (RF)		
	CVPIA, Spawning Gravel/Riparian Habitat (RF)		
	CVPIA, Water Acquisition (RF, W&RR)		
	Tracy Fish Loss Replacement/Protection Program (W&RR)		Corrected Program/fund reference.
USACE		~~Sacramento-San Joaquin Comprehensive Study (Energy and Water Appropriations Act, General Investigations (GI))~~	DELETED. Moved to Integrated Regional Water Management.
		Section 1135 projects within ERP focus Area (Section 1135, WRDA 86)	
		Cherokee Canal, Oroville (1135)	NEW.
		Mormon Channel/Stockton (1135)	NEW.
		Pine Flat Turbine Bypass (1135)	NEW.
		Pine Flat F&W	NEW.
		Putah Creek South Fork (1135)	NEW.
		Woodson Bridge (1135)	NEW.
		Yolo Basin Wetlands (Davis Site)(1135)	NEW.
		Yolo Basin Wetlands (aka Vic Fazio Area)	NEW.
		Upper Sacramento River, Murphy Slough (1135)	NEW.
		Wildcat & San Pablo Creeks (1135)	NEW.
	Prospect Island (Section 1135)		
		General Investigations Program (for projects in the CALFED Bay-Delta Program solution area) (GI)	
	Cosumnes/Mokelumne Study (GI)		
		Cache Creek (Gravel Pit) (206)	NEW.
		City of Folsom (503)	NEW.
		Clear Lake (206)	NEW.
		Clear Lake Basin (503)	NEW.
		Clover Creek, Redding (206)	NEW.
		Delta Science Center (206)	NEW.

Program Element/ Agency	Category A Programs (Funding Source)	Category B Programs (Funding Source)	Identification of Changes
		Hamilton Airfield Wetland Restoration	NEW.
		Napa River, Salt Marsh Restoration	NEW.
		NCS, Middle Creek,	NEW.
		Lower Sacramento R. Riparian Reveg.	NEW.
		Pacific Flyway Center (206)	NEW.
		Penn Mine (206)	NEW.
		Regional Conservation Conjunctive Use Project (502)	NEW.
		Sacramento River Flood Control Prj (GCID)	NEW.
		Sacramento River Watershed (503)	NEW.
		Sacramento-San Joaquin Delta: Little Holland Tract	NEW.
		Santa Clara Basin (206)	NEW.
		Sonoma Baylands Wetlands Restoration	NEW.
		Suisun Marsh	NEW.
		Turtle Bay Museum (206)	NEW.
NMFS		Screen Engineering and Review	NEW
	General Oversight and Coordination		NEW
USDA/ NRCS		Wetlands Reserve Program (Federal Agriculture Improvement & Reform Act of 1996 (Farm Bill))	
		Environmental Quality Improvement Program (Farm Bill)	
USFWS	CVPIA, Anadromous Fish Restoration Program & Anadromous Fish Screen Program (RF)		
	CVPIA, Butte Creek restoration		
	CVPIA, Clear Creek restoration (RF)		
	CVPIA, Spawning Gravel/Riparian Habitat (RF)		
	CVPIA, Water Acquisition (RF)		
		CVPIA, b(1)other, CAMP (RF)	NEW.
		~~Federal Aid in Wildlife Restoration (Pittman Robertsen Act)~~	DELETED.
		Endangered Species Recovery Program Funds	NEW. Funds apply to species w/in MSCS focus area.
		Cooperative Endangered Species Conservation Fund (includes Recovery Land Acq. Fund)	Updated to include fund source.
		Central Valley Joint Venture (North American Wetlands Conservation Fund)	Corrected program/fund reference.
		Land Acquisition Programs	
		Partners for Fish and Wildlife Program	
USEPA		National Estuary Program (CWA 320)	
		Nonpoint Source Pollution (Clean Water Act 319h, 205j, 104b3, 106, 604b, Prop 13)	Also shown in DWQ and Watershed as Category B.
		Water Quality Planning (Clean Water Act 205j, 604b)	Also shown in DWQ as Category B.
		Total Maximum Daily load (Clean Water Act 104b3, 106, 319)	Also shown in DWQ as Category B.
		Clean Water State Revolving Fund	Also shown in DWQ as Category B.
		San Joaquin Exchange Contractors Watershed Project (CWA 104(b) Special Approp.)	NEW. Also shown in Watershed as Category B.
		Sacramento River Watershed Program	Also shown in DWQ as Category B.

Program Element / Agency	Category A Programs (Funding Source)	Category B Programs (Funding Source)	Identification of Changes
Environmental Water Account			
CBDA	DWR Program 15 FY 01-02 BCP (GF)		NEW
Resources	FY 01-02 BCP (Prop 204, Ch 7)		NEW
DWR	Water Supply Reliability Projects (Prop 50, Ch 7, Section 79550(d))		NEW
	Program 10 FY 02-03 Reappropriation (Prop 13)		NEW
DFG	EWA Implementation (Prop 50, Ch 7, Section 79550(d))		NEW
NMFS	Program Oversight and Coordination		NEW
USBR	Water & Power Acquisitions (Bay-Delta Act, W&RR In-Lieu of BD)		Corrected Program/fund reference.
Water Use Efficiency			
CBDA	DWR Program 15 FY 01-02 BCP (GF)		NEW
DWR	Agricultural and Urban WUE Technical Assistance (GF, RRIF, ERPA)		Updated to include RRIF & ERPA fund sources
	Energy & Water Conservation Program (GF)		NEW
	Irrigation Systems Improvement - Del Puerto Water District (Prop 13, Ch 9, Art 4 - Interim Reliable Water Supply)		NEW
	Water Conservation/Canal Lining - San Luis Water District (Prop 13, Ch 9, Art 4 - Interim Reliable Water Supply)		NEW
	WUE Grants & Loans (Prop 13)		Updated original listing to include grants
	Agricultural and Urban Water Conservation (Prop 50, Ch 7, Section 79550(g))		NEW
SWRCB	Water Recycling (Bond Measures--Prop 204, Prop 13, Prop 50, Ch 7, Section 79550(g), etc.)		Updated to include Prop 50 fund source
	Water Recycling (Clean Water State Revolving Fund)		
USBR	Pilot Projects (Bay-Delta Act, W&RR In Lieu of BD)		Corrected Program/fund reference.
	CVPIA, Water Conservation (W&RR)		Corrected Program/fund reference.
	Water Recycling (Title XVI W&RR)		
USDA/ NRCS		Environmental Quality Incentive Program (Farm Bill)	
Water Transfers			
CBDA	DWR Program 15 FY 01-02 BCP (GF)		NEW
DWR	Water Acquisitions - San Luis Delta Mendota Water Authority (Prop 13, Ch 9, Art 4 - Interim Reliable Water Supply)		Move from Conveyance program
	Program 10 FY 01-02 BCP (GF)		NEW
	Water Transfers Facilitation and Marketing (SWP)		
SWRCB	Program 20 (BCP # 24) FY 01-02 BCP (GF) - staff support related to the CALFED Water Transfers program -- no regulatory activities		NEW - Previously approved by the SWRCB and included in the governor's cross-cut budget as Category A.
USBR	Clearinghouse (Bay-Delta Act, W&RR In Lieu of BD)		Corrected Program/fund reference.
	Water Transfers Facilitation and Marketing (W&RR, CVP, Water Marketing)		

Program Element / Agency	Category A Programs (Funding Source)	Category B Programs (Funding Source)	Identification of Changes
Watershed			
CBDA	DWR Program 15 FY 01-02 BCP (GF)		NEW
	Watershed Program Implementation (Prop 50, Ch 7, Section 79550(f))		NEW
DWR	Program 10 FY 01-02 BCP (GF)		NEW
	Watershed Program Implementation (Prop 50, Ch 7, Section 79550(f))		NEW
DFG	Program 20 FY 01-02 BCP (GF)		NEW
CDFFP	Watershed Program Implementation (Prop 50, Ch 7, Section 79550(f))		NEW
		California Forest Improvement Program (CFIP) (State Forest Resources Improvement Fund)	
		Stewardship Incentive Program (SIP) (Federal Cooperative Forestry Assistance Act of 1978 (FCFAA))	
		Forest Stewardship Program (FCFAA)	
SWRCB	Watershed Protection $20 mill (Prop 13, Ch 6, Art 2)		NEW - Previously approved by the SWRCB & included in the governor's cross-cut budget as Category A.
		Watershed Protection $70 million (Prop 13)	
		Clean Beaches (Prop 40, Article 5, Section 5096.650(c)(2))	NEW
		Nonpoint Source Pollution (Clean Water Act 319h, 205j, 104b3, 106, 604b, Prop 13)	NEW - Include as Category B for the Watershed Program. Also shown in DWQ and ERP as Category B.
CDFA		Weed Management Area Program (GF)	NEW
USDA/ NRCS		~~Wetlands Reserve Program (Farm Bill)~~ Environmental Quality Improvement Program (Farm Bill)	DELETED. Reported under ERP.
USEPA		San Joaquin Exchange Contractors Watershed Project (CWA 104(b) Special Approp.)	NEW.
USACE		Napa Valley Watershed Management	NEW.
		San Pablo Bay Watershed	NEW.
USFS		Land Stewardship, restoration, and reforestation programs (National Forest System Appropriations, Prescribed Fire and Brush Disposal Trust Funds, Salvage Harvest Funds)	

Program Element / Agency	Category A Programs (Funding Source)	Category B Programs (Funding Source)	Identification of Changes
Drinking Water Quality			
CBDA	DWR Program 15 FY 01-02 BCP (GF)		NEW
DWR		Ag Drainage Program (SWP, Prop 204)	
	In-Delta Ag Drainage (Prop 13, Bay-Delta Multi-purpose Water Management)		Moved from Conveyance to correct error in previous versions. Funding is managed by the DWQ Program.
	Water Quality Exchange Partnership - MWD (Prop 13, Ch 9, Art 4 - Interim Reliable Water Supply)		NEW
	Desalination Research and Innovation Partnership - MWD (Prop 13, Ch 9, Art 4 - Interim Reliable Water Supply)		NEW
		Contaminant and Salt Removal Technologies (Prop 50, Ch 6, Section 79545 (b,c))	NEW
CDFA		On-farm Ag Drainage Management (Prop 204)	
		Fertilizer Research and Education	
		Dairy Quality Assurance Program	
DHS		Safe Drinking Water (Prop 50, Ch 4)	NEW
		Safe Drinking Water State Revolving Fund	
SWRCB	Nonpoint Source $20 mill (Prop 13)		NEW - Previously approved by the SWRCB & included in the governor's cross-cut budget as Category A.
		Nonpoint Source $80 million (Prop 13, Ch 7, Art 2)	NEW
	Clean Water and Water Quality $20.5 million (Prop 50, Ch 5)		NEW
		Clean Water and Water Quality (Prop 50, Ch 5)	NEW
		Clean Beaches (Prop 40, Article 5, Section 5096.650(c)(2))	NEW
		Nonpoint Source Pollution (Clean Water Act 319h, 205j, 104b3, 106, 604b, Prop 13)	
		Water Quality Planning (Clean Water Act 205j, 604b)	
		Total Maximum Daily load (Clean Water Act 104b3, 106, 319)	
USBR		CVPIA, San Joaquin Basin Action Plan (W&RR, RF)	Updated to include RF source.
		CVPIA, Land Retirement (W&RR, RF)	Updated to include W&RR source.
		Drainage Management Program (W&RR)	
USEPA		Nonpoint Source Pollution (Clean Water Act 319h, 205j, 104b3, 106, 604b)	
		Water Quality Planning (Clean Water Act 205j, 604b)	
		Total Maximum Daily Load (Clean Water Act 104b3, 106, 319)	
		Safe Drinking Water State Revolving Fund	
		Clean Water State Revolving Fund	
		Contra Costa County Water District's DWQ Treatment Methods (CWA 104(b) Special Approp.)	NEW.
		Sacramento River Watershed Program	

Program Element/ Agency	Category A Programs (Funding Source)	Category B Programs (Funding Source)	Identification of Changes
Levees			
CBDA	DWR Program 15 FY 01-02 BCP (GF)		NEW
DWR	Delta Levee maintenance Subventions (prop 13)		
	Special Flood Control Projects (Prop 13)		
	Delta Levees Emergency Response (Prop 13)		
	Delta Levee Restoration (Prop 50, Ch 7, Section 79550(c))		NEW
DFG	Delta Levees Habitat Improvement Program (Reimbursable Contract)		NEW
	Program 20 FY 01-02 BCP (GF)		NEW
CDFA		Vertebrate Pest Control Program (GF)	NEW
USACE	Delta Study (GI)		
Storage			
CBDA	DWR Program 15 FY 01-02 BCP (GF)		NEW
DWR	Groundwater Recharge/Conjunctive Use- Victory Valley/Mojave (Prop 13, Ch 9, Art 4 - Interim Reliable Water Supply)		NEW
	Groundwater Storage Conjunctive Use - MWD (Prop 13, Ch 9, Art 4 - Interim Reliable Water Supply)		NEW
	Groundwater planning / AB 303		NEW
	Surface Storage Investigations (Prop 50, Ch 7, Section 79550(a))		
	Groundwater Storage/ Conjunctive Use (Prop 13, Ch 9, Art 2)		
	Groundwater Recharge (Prop 13, Ch 8, Art 4)		
		Statewide Planning Program/Bulletin 160 (GF)	
		Bulletin 118 process/Groundwater Assessment (Prop 13)	
DFG	Surface Storage Investigations (Prop 50, Ch 7, Section 79550(a))		NEW
USACE		Stockton Metro (Farmington)	NEW.
USBR	Feasibility Investigations (Bay-Delta Act, W&RR In Lieu of BD) CVP, Yield Feasibility Investigation (W&RR) CVPIA, 3408(j), Project Yield Increase (RF)		Corrected program/fund reference
Conveyance			
CBDA	DWR Program 15 FY 01-02 BCP (GF)		NEW
	Water Conveyance Facilities (Prop 50, Ch 7, Section 79550(b))		NEW
DWR	Bay-Delta Multi-purpose Water Management (Prop 13 - SWP/CVP fish facilities, South Delta Barriers, and Grant Line Canal Barrier)		
	Delta Facilities Planning (SWP)		
	San Luis Reservoir Low Point Project - Santa Clara Valley Water District / Interim Water Supply and Reliability (Prop 13)		NEW
DFG	Program 20 FY 01-02 BCP (GF)		NEW
USBR	Tracy Fish Test Facility (Bay-Delta Act, W&RR In-lieu of BD) Tracy Fish Facilities Mitigation Program (W&RR) CVPIA, 3406(b)(4) Tracy Fish Facilities Improvement Program (RF)		Updated list w/coordinated program.

Program Element Agency	Category A Programs (Funding Source)	Category B Programs (Funding Source)	Identification of Changes
Science Program			
CBDA	DWR Program 15 FY 01-02 BCP (GF)		NEW
	DWR Program 15 FY 02-03 BCP (Prop 13, Ch 9, Art 3 - Bay-Delta Multi-purpose Water Management)		NEW
	Prop 50, Ch 7, Section 79550 (a-g)		NEW
DWR	Program 20 FY 01-0 BCP (GF)		NEW
	Interagency Ecological Program (SWP)		
	Prop 50, Ch 7, Section 79550 (e)		NEW
DFG	Program 20 FY 01-02 BCP (GF)		NEW
	Interagency Ecological Program		
		Salmon and Steelhead Assessment /Monitoring Program (GF)	
	Prop 50, Ch 7, Section 79550 (e)		NEW
SWRCB	Interagency Ecological Program		
USACE	~~Interagency Ecological Program - General Coordination Activities~~		DELETED.
USBR		CVPIA, CAMP, Interagency Ecological Program (RF)	Corrected program/fund reference
	CALFED Science Support (W&RR In-lieu BD)		Updated list w/coordinated program.
	Interagency Ecological Program (W&RR)		
	CVPIA, 3406(b)(2), Interagency Ecological Program (RF)		Updated list w/coordinated program.
USEPA	Interagency Ecological Program		
USFS		Pacific Southwest Forest & Range Research Program	
USFWS	Interagency Ecological Program		
	Science Administration		NEW
USGS	CALFED Bay-Delta Program Support - Lead Scientist		NEW
		Monitoring Programs in the Bay-Delta System	
		Place-based Study of SF Bay	NEW
		Toxics Substances Hydrology Program	NEW
		Other Cooperative Studies	NEW
		Biological Resources Study Program	NEW
		San Joaquin Basin National Water Quality Assessment	NEW
		Sacramento Basin National Water Quality Assessment	NEW
	Interagency Ecological Program		
NMFS	Interagency Ecological Program		

Program Element/ Agency	Category A Programs (Funding Source)	Category B Programs (Funding Source)	Identification of Changes
Oversight and Coordination			
CBDA	DWR Program 15 FY 01-02 BCP (GF)		NEW
DWR	Program 10 FY 01-02 BCP (GF)		NEW
DFG	Program 20 FY 01-02 BCP (GF)		NEW
BCDC	Program 10 FY 01-02 BCP (GF)		NEW
DOC	Program 30 FY 01-02 BCP (GF)		NEW
CDFA	General Coordination Activities (GF)		NEW
USBR	CALFED Program Management, Oversight and Coordination (Bay-Delta Act, W&RR In-lieu of BD)		Corrected program/fund reference
NMFS	General Oversight and Coordination		NEW
USFWS	General Oversight and Coordination		NEW
USACE	General Coordination Activities		NEW
Water Supply Reliability			
USEPA		LA MWD DRIP (desalination) program (CWA 104(b) - Special Approp.)	NEW
DWR	Water Supply Reliability Projects (Prop 50, Ch 7, Section 79550(d))		NEW
Desalination			
DWR		Contaminant and Salt Removal Technologies (Prop 50, Ch 6, Section 79545 (a))	NEW
Integrated Regional Water Management			
DWR		Integrated Regional Water Management (Prop 50, Ch 8)	NEW
SWRCB		Integrated Regional Water Management (Prop 50, Ch 8)	NEW
USACE		Guadalupe River	NEW.
		Los Angeles County Drainage Area	NEW.
		Napa River Flood Control Project	NEW.
		Wildcat and San Pablo Creeks (GI)	NEW.
		Wildcat and San Pablo Creeks (CG)	NEW.
		Sac-SJ Comprehensive	NEW.
		Santa Ana River Mainstem	NEW.
		Coyote and Berryessa Creeks	NEW.
		NCS, Fairfield/Cordelia Marsh	NEW.

Program Element / Agency	Category A Programs (Funding Source)	Category B Programs (Funding Source)	Identification of Changes
State Agency Legend:			
CBDA - California Bay-Delta Authority			
DWR - California Department or Water Resources			
SWRCB - State Water Resources Control Board			
Resources - California Resources Agency			
Rec Board - The Reclamation Board			
DFG - California Department of Fish and Game			
WCB - State Water Control Board			
CDFA - California Department of Food and Agriculture			
DOC - California Department of Conservation			
DPC - Delta Protection Commission			
DHS - California Department of Health Services			
Parks - California Department of Parks and Recreation			
SLC - State Lands Commission			
DBW - California Department of Boating and Waterways			
CDFFP - California Department of Forestry and Fire Protection			
Federal Agency Legend:			
USBR - US Bureau of Reclamation			
USFWS - US Fish and Wildlife Service			
USGS - US Geological Service			
USDA/NRCS - Natural Resource Conservation Service			
USFS - US Forest Service			
NMFS - National Marine Fisheries Service			
USACE - US Army Corps of Engineers			
USEPA - US Environmental Protection Agency			

[NOTE: The report entitled "CALFED-Related Federal Funding Budget Crosscut" has been retained in the Committee's official files.]

Mr. CALVERT. Next is Patrick Wright, Director, California Bay-Delta Authority.

You are recognized for 5 minutes.

STATEMENT OF PATRICK WRIGHT, DIRECTOR, CALIFORNIA BAY-DELTA AUTHORITY

Mr. WRIGHT. Thank you, Chairman Calvert and members of the Committee. I too appreciate the opportunity to be here today to talk a little bit about the process that we go through in the program.

You have, I assume, copies of my written testimony, so I will briefly summarize some of the key points in terms of trying to get a better handle on State, Federal, and local investments in the program.

As you may know, during the past 3 years, we have done this analysis annually, retrospectively, so if you have copies of our annual report, for example, you will see spreadsheets that lay out the State, Federal, and local investments for each element of the program.

What is different and encouraging about this exercise is that for the first time, it is done prospectively so that you and other Members of Congress can get a better handle on the future projections of funding so you can make your own determinations on issues such as balance and the appropriate level of contributions from the various agencies that participate in the program.

We have not had time back at the program to pour through every detail of the cross-cut, but there certainly are a few key issues that I want to highlight. First, as I just said, this information would be even more useful if it were incorporated into the annual budget process so it is not just a one-time exercise here where you get a sense of what the various Federal investments are but you see that as part of the President's budget request and throughout the process of spending that goes on here in the Congress.

For example, if you picked up a copy of the President's budget in January, you would find a CALFED line item of $15 million when in fact, as you are seeing today from the cross-cut, the Federal contribution in 2004 is quite a bit higher than $15 million. So clearly more work needs to be done to sort out the confusion between the so-called CALFED appropriation, which is a part of the Bureau's contribution, and the entire contribution of the Federal agencies toward the goals of the program.

Second, in taking a look at those numbers, it is clear that the Bureau remains the only agency that from a financial perspective is making a significant contribution to the program. Arguably, when we were in the planning phase of the program, that made some sense to funnel all the money through one agency to make sure you had the kind of accountability that you needed, that can happen with one agency handling the money, but now that we are in the implementation stage where other Federal agencies have lead responsibilities for the program, we think it is more appropriate to apportion the financial responsibility accordingly. So that

is something that we are going to continue to push for with the various State and Federal agencies.

Third, it has also become clear to us that, as we have seen the omnibus appropriations bill pass last year and other bills pass previous to that, the vast majority of actions in the program are already authorized. Most of what we do in the CALFED Program is to provide oversight and coordination of existing State and Federal programs to make sure they are balanced, to make sure we have adequate science, to make sure we have adequate public participation, to make sure the agencies are working together, et cetera.

There are a couple of exceptions to that, which is why it is extremely important to us to have a Federal authorization bill, but even more important, it is important to cement the State-Federal relationship that is going to be necessary to make this program a success. The authorization bill is really going to determine whether or not this program is going to be a State program with limited Federal participation, limited Federal accountability, or truly a State-Federal partnership where you have the kind of leadership and accountability that you need from the Federal side of the program.

I think we have proven—and we would be happy to come back and give you an overview of the track record of the program in the last 3 years. It is clear on the environmental side with the investments that we have been making that the fisheries of the Bay-Delta System for the first time in decades are showing positive improvements. We hope that trend will continue, but it is certainly encouraging that the ecosystem investments appear to be paying off.

On the water infrastructure side, we are also making significant investments. The collaborative partnership that CALFED created has led to the passage of three consecutive water bonds through which now billions of dollars are flowing, not to the agencies but to State and local communities throughout the State to meet their most pressing water needs.

With respect to storage, the CALFED Program has the biggest investment in storage in the State's history. It calls for up to 3 million acre-feet of new storage. And for the first time, we are on track. We hope to have draft EISs for each of the storage projects by the end of 2004. Before the CALFED Program was stated, there was no progress being made on any of those projects. So again, we know that folks are impatient in terms of trying to get those studies done, but they are moving forward—but the authorization bill is going to be essential to make sure that those studies and the Federal support continues.

Then, finally, through the Environmental Water Account, which is another key element of the program, we have avoided now for 3 years in a row having annual crises over operations in the Delta. Exporters from the Delta have received now, again, 3 years in a row assurances that their water supplies are not going to be interrupted due to fishery constraints in the Delta.

So again, the track record of the program is growing as it matures, but for that to continue, we are going to need to have both a strong Federal investment and a strong Federal partnership. And we certainly appreciate, Chairman Calvert, your leadership in

trying to get us there through your bill, and we certainly pledge to continue working hard with you to make sure that effort is a success.

Thank you.

[The prepared statement of Mr. Wright follows:]

Statement of Patrick Wright, Director, California Bay–Delta Authority

Chairman Calvert, Ranking Member Napolitano, and members of the Subcommittee on Water and Power, thank you for the opportunity to appear before you this morning. My testimony will provide background on the Bay–Delta Program, the Cross-cut Budget, and Federal authorization for the Program.

The Bay–Delta Program is an unprecedented effort to implement a long-term comprehensive plan that addresses ecological health and water supply reliability problems in the Bay–Delta. On August 28, 2000, the State and Federal CALFED agencies signed the Record of Decision (ROD), formally approving this long-term plan.

The Bay–Delta Program is unique in its approach to solving water and ecosystem problems because it addresses four resource management issues concurrently and in a balanced fashion: water supply reliability, water quality, ecosystem restoration, and levee system integrity. Conflicts in the Bay–Delta system have broad effects statewide. The Bay–Delta system:

- Provides drinking water to 22 million people
- Supports a trillion dollar economy including a $27 billion agricultural industry
- Protect farms and homes in the Delta
- Is the largest estuary on the west coast and is home to 750 plant and animal species and supports 80% of the State's commercial salmon fisheries.

In the Department of the Interior's recently released Water 2025: Preventing Crises and Conflict in the West, DOI includes a ranking of areas where existing water supplies are not adequate to meet demands for people, farms, and the environment, and where there are potential water supply crises by 2025.

- The California Bay–Delta was rated with a conflict potential of "Highly Likely", which was the highest rating in the report.
- The Bay–Delta Program, through implementation of the commitments in the ROD, is in fact addressing this potential crisis.

California Bay–Delta Authority Act of 2003

The California Bay–Delta Authority (Authority), established by California legislation enacted in 2002 (California Bay–Delta Authority Act), provides a permanent governance structure for the collaborative State–Federal effort that began in 1994. The Authority is charged specifically with ensuring balanced implementation of the Program, providing accountability to the Legislature, Congress and the public, and ensuring the use of sound science across all Program areas.

The Authority is composed of representatives from six State agencies and six Federal agencies, five public members from the Program's five regions, two at-large public members, a representative from the Bay–Delta Public Advisory Committee, and four ex officio members, namely the chairs and vice-chairs of the California Senate and Assembly water committees. Figure 1 (attached) provides more information regarding the governance structure for the Bay–Delta Program.

Cross-cut Budget

> The purpose of the Cross-cut Budget is to identify the level of funding (State, Federal, Water User and Local) that is available to meet the Bay–Delta Program objectives as stated in the Record of Decision (ROD). This information is used to determine additional funding needed to stay on schedule and in balance.

At the time of the ROD, existing programs and projects were reviewed to determine which were currently contributing to Bay–Delta objectives and therefore should be integrated into a CALFED process that included review by State and Federal agencies, science and technical panels, and the public. Those programs and projects were labeled "Category A" programs. Only Category A funding is included in the Bay–Delta Cross-cut Budget because only those programs and activities are consistent with the goals and commitments in the ROD.

All other programs and projects (referred to as "Category B") are not reviewed and funding is not tracked. Agency coordination is encouraged to avoid conflicts or duplication of efforts. Category B programs include programs or projects that have related objectives, or whose geographic area overlaps with the Bay–Delta Program solution area. However, Category B programs do not necessarily meet the

commitments in the ROD, so the Authority does not include those programs in the Cross-cut Budget.

The Cross-cut Budget display is developed by the Authority staff in coordination with all State and Federal agencies. The funding amounts associated with Category A programs are requested from each of the agencies, and then packaged by the Authority staff for each fiscal year showing the total funding by agency, program element, and fund source. The Cross-cut Budget is finalized and distributed publicly only after all affected agencies have had the opportunity to provide comments and verify the accuracy of the numbers used in the display.

Cross-cut Budget Differences

The Office of Management and Budget (OMB) Cross-cut Budget (May 2003) includes Category B programs and funding. The numbers developed by OMB differ from those developed by the Authority staff due to the inclusion of these Category B programs—programs that are not integrated into the CALFED process or reviewed to determine if they are meeting the commitments of the ROD. Table 1 (attached) is a Bay–Delta Federal Cross-cut Budget for fiscal year 01–04 that includes funding only for Category A programs and projects. The Bay–Delta Program will continue to develop annual Cross-cut Budgets and coordinate with the Federal CALFED agencies to identify those programs and funds dedicated to the objectives of the Program.

At the time of the Record of Decision in 2000, support for the Bay–Delta Program was generally to be divided equally between the Federal, State, and Local /Water user interests. For a variety of reasons, Federal funding has been lacking in the first 3 years of the Program. With the renewed commitment to the Bay–Delta Program by the Department of Interior in the "Water 2025 Report", we hope that the Federal involvement will increase.

Federal Authorization

The California Bay–Delta Program strongly supports authorizing legislation which would provide necessary Federal funding to successfully implement a balanced Program in the future. Table 2 (attached) shows State, Federal, and Local & Water User funding contributions to date during Stage 1 for the Bay–Delta Program. Federal funding has accounted for 11% of the total funding to date for the Program. State funding has primarily been from bond funds, which are projected to run out in 3–4 years. Given the current fiscal climate in the State, it is uncertain whether taxpayers will continue to support the passage of bond initiatives to fund the Program. A balanced package of State, Federal, Local, and Water User contributions is crucial to maintain Program progress. Failure to authorize the Program may jeopardize the progress of a balanced Bay–Delta Program.

We also support the idea of a "Cross–Cut Appropriation" for the Bay–Delta Program, which would allocate appropriations for projects and programs to all of the Federal agencies that would be implementing the Program, rather than appropriating all of the funding through the Bureau of Reclamation budget, as has been done in the past. We believe this approach would be more efficient and would further enhance agency participation in the Program.

Attachments

Figure 1 -- California Bay–Delta Program Governance Structure Diagram
Table 1 -- Federal Funding Cross-cut Budget Fiscal Year 2001 - 2004
Table 2 -- California Bay–Delta Program Cross-cut Budget Fiscal Year 2001 - 2004

California Bay-Delta Program Governance Structure

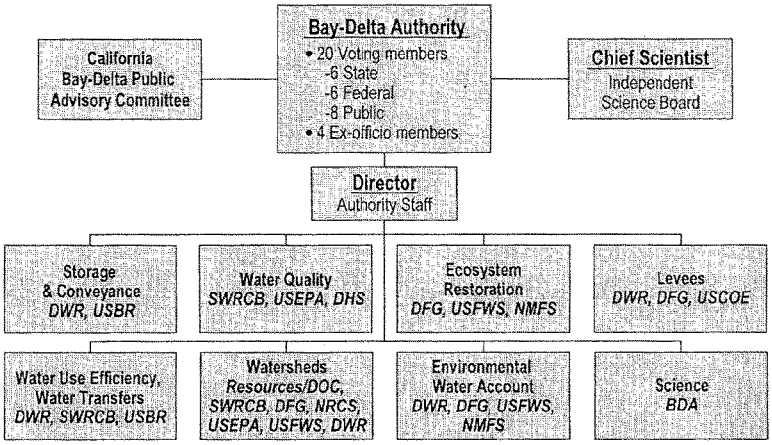


Table 1.

California Bay-Delta Program Federal Funding Cross-Cut Budget
Federal Fiscal Year 2001 - 2004
(dollars in millions)

	Stage 1 - includes Category A			
	FY 2001 [1]	FY 2002 [1]	FY 2003 [2]	FY 2004 [2]
USBR	$55.125	$98.528	$64.033	$49.079
USACE [3]	$0.889	$0.285	$0.387	$1.400
NRCS	$0.000	$0.000	$0.000	$0.000
NMFS	$0.450	$0.475	$0.675	$0.675
USGS	$1.555	$1.555	$1.543	$1.392
USF&W	$1.523	$1.523	$1.523	$1.523
USEPA	$0.000	$0.000	$0.040	$0.000
Total	**$59.542**	**$102.366**	**$68.201**	**$54.069**

[1] FY 2001 - FY 2002 totals include obligations.

[2] FY 2003 & 2004 totals reflect amounts requested in President's Budget.

[3] FY 2001-2002 Actual Allocations, FY 2003 Planned Work Allowance, FY 2004 President's Budget

Table 2.

California Bay-Delta Program Funding Cross-Cut Budget FY 2001-2004 (dollars in millions)						
	Stage 1 - includes Category A					
	FY 2001	FY 2002	FY 2003	FY 2004	Total	%
State [1]	$383.5	$449.9	$476.7	$496.6	$1,806.7	70%
Federal [2]	$59.5	$102.4	$68.2	$54.1	$284.2	11%
Local/Water User [3]	$174.0	$76.8	$242.7	not available	$493.5	19%
Total	$617.0	$629.1	$787.6	$550.7	$2,584.4	100%

[1] FY 2001-2003 amounts are from the 2002 CALFED Annual Report. FY 2004 reflects amounts requested in Governor's Budget.

[2] FY 2001-2002 reflect obligations. FY 2003-2004 reflect amounts requested in President's Budget.

[3] FY 2001-2003 amounts are from the 2002 CALFED Annual Report. FY 2004 amounts are unknown at this time.

Mr. CALVERT. I thank the gentleman.

Years ago, when I first got into business, my father told me "Follow the money," and when I got into politics, things really did not change all that much. And certainly dealing with programmatic funds on projects the size of this is not any different.

I am looking right now up here at the Everglades cross-cut budget—and by the way, the cross-cut budget we have today versus the cross-cut budget we got out of OMB a couple months ago is obviously much improved, so I congratulate everyone on that part. But on the Everglades budget I am looking at right now, you can take a look at the way that those numbers are being put together, and the coordination of those funds is much, it seems to me, superior to the process that we are going through today.

So I hope we can take a look at that as a goal and, with that, what steps does the Department of Interior and other coordinating agencies, including regulatory agencies—because certainly they are involved in this to a large degree—what do they do to coordinate Federal activities in improving operations at the Central Valley Project and the State Valley Project?

I guess first, Jason, I will put that to you.

Mr. PELTIER. CALFED is more than a planning process, and it is more than—you are familiar with all of the aspects of the CALFED Program, except there is another part that we do not talk about very often, and that is the operational side of the projects and the coordination among the agencies. That is, I think, another success story that we can talk about, and the CALFED Operations

Committee and its various Subcommittees bring together the regulatory and operational agencies on a weekly basis, more frequently if there is something unanticipated occurring in the system relative to where the fish are showing up, for instance.

So I would say that the coordination and collaboration among the agencies has been a great success, and on the operational front, the understanding and the learning that has occurred over the last few years through these collaborative efforts has been of mutual benefit to the operators and the regulating agencies. I think that is on the operations side where the most focus is.

Mr. CALVERT. Patrick?

Mr. WRIGHT. I would agree with that. I think we need to separate today the issue of a financial contribution from the Federal agencies and the lack of an authorization bill to cement the institutional structure from the very active engagement of the Federal agencies on the ground, particularly from Interior. As Jason said, we have all the agencies at the table working hard to integrate the various missions and mandates that they deal with. The issue here is less one of having the regional folks engaged than it is having the folks back here more engaged, both from a financial perspective and from an institutional perspective.

Mr. CALVERT. In the cross-cut budget, you have identified authorized projects such as several water recycling projects in Southern California as overlapping with the CALFED Program objectives. Could you explain those activities, how they have been coordinated with other agencies when it comes to protecting the Bay-Delta and improving the operations of the Central Valley Project? How are all these coordinated?

Mr. PELTIER. All of the programs that are identified in the Category A/Category B list—well, that is a pretty big question, because you can see that the breadth of programs is tremendous given the various missions of the agencies. One thing that the cross-cut, as we discussed earlier, shows us is that it kind of reminds us and educates other agencies as to the activities of their fellow agencies, so we can very quickly identify overlap and the interactions.

Some of the programs operate very closely together—for example, fish screens. There is a fish-screening program in the CVPIA. CALFED has invested in fish screens, and CAL Fish and Game has. So those three different programs have over time evolved under the umbrella of CALFED to be very, very closely coordinated, and we have the professionals learning from other programs and making sure that the investments are the most needed and the most effective.

There are a number of other overlap activities. In the storage area, the Storage Program has work teams that are working on each of the various facilities, and there is a differing combination of agency participation in each of those depending on who is in the lead, I would say—but once again, there is a common goal and a common work effort under the CALFED umbrella that is essential to accomplishing not only the purposes or the objectives of CALFED, but to making sure the money spent on both the Federal and State sides is maximized.

Mr. CALVERT. Mr. Wright, any comment?

Mr. WRIGHT. Just briefly, let me add to that. We do have a process biweekly where all the State and Federal agencies meet literally around the table to make sure all the various elements of the plan are moving forward and to make sure those actions are coordinated.

It is a huge program, so we not only rely on those meetings, but a lot of spinoff meetings, a lot of meetings of our advisory councils and their Subcommittees, to make sure that we have the kind of coordination we need.

Recycling is a good example, where the State launched a year-and-a-half process under which it established a recycling task force. The CALFED Program was an active part of that process to make sure the agencies were coordinated, to make sure we set up a new funding process to make sure that only the best projects were funded and also to make sure that money gets out the door as quickly as possible, because for some of our agencies, that has been a huge problem for local communities.

So through are a variety of different forums, we have managed to ensure that the agency actions are coordinated and integrated.

Mr. CALVERT. Mrs. Napolitano?

Mrs. NAPOLITANO. Thank you, Mr. Chairman.

No disrespect, Mr. Peltier, but are you one of the ranking members of your agency?

Mr. PELTIER. I have rank.

[Laughter.]

Mrs. NAPOLITANO. No—one of the top-ranking members of your agency.

Mr. PELTIER. I do not know how to characterize my position. I am Special Assistant to the Assistant Secretary for Water and Science.

Mrs. NAPOLITANO. What happened to the Secretary—or the Assistant Secretary?

Mr. PELTIER. I was designated to represent the Secretary here today.

Mrs. NAPOLITANO. OK. I just wondered for the record, because I think that this Committee does rank—and I am sure they would defer to you for answering the questions, because you did the work—but it would behoove them to understand that this Committee is very interested in seeing their participation in this hearing.

Mr. PELTIER. I will convey that.

Mrs. NAPOLITANO. Thank you very much.

The question that I would have—and Mr. Wright brought some of that up—is that the funding is funneled through the Bureau of Reclamation and has been, or at least a major portion of it is. Has there been any discussion through the agencies themselves to get direct funding from the agencies for the projects to move them forward at maybe an even faster, more expedient, more direct, and with less money going out for admin fees?

Mr. PELTIER. Yes. This is a topic of active discussion, and I think the cross-cut that we have provided or that OMB has provided shows you that there is considerable direct investment by agencies on CALFED-related activities and programs. And I do not want to mischaracterize the nature of Category B investments and say that

that is CALFED. I want to be clear and say that that is related to CALFED. But you can see a broad swath of programs and investments that are being made directly by the participating agencies, and I think on into the future, both versions—well, let me say each version—of legislative proposals we saw last year included a requirement for a cross-cut budget, and there was considerable focus on this notion of individual agency funding, and we look forward to continuing that discussion.

Mrs. NAPOLITANO. Is there anything we can do to be able to provide a more expedient determination of that?

Mr. PELTIER. No. I think the efficiency with which the agencies operate is very impressive, in part probably because most agencies—I know it is certainly true of Reclamation—it is the people in the field, it is the program managers, who are responsible for formulating and implementing the program who have been given the authority to move briskly, and they do. And I think the discussion that Patrick provided about the coordination and the weekly meetings ensures that those things happen quickly.

Mrs. NAPOLITANO. Can you tell me what the administration fees are for the Bureau on those agencies?

Mr. PELTIER. No—as in overhead or—

Mrs. NAPOLITANO. There is a cost there. There usually is. If money is passing through any agency for somebody else, there is usually a handling fee, if you will. It is called admin—administration—you know that.

Mr. PELTIER. Yes. I think it is—let me ask—zero.

Mrs. NAPOLITANO. Impressive.

Mr. PELTIER. Obviously, Reclamation spends staff and other resources to administer the program, but in terms of passthrough, the Regional Director informs me that there is no cut taken.

Mrs. NAPOLITANO. Very good. I guess that was one of the most burning questions in the back of my mind.

Is there any additional information that you would like to share?

Mr. PELTIER. No. I guess I would just like to highlight the fact that Patrick made and expand on it, that when we talk about CALFED money that Congress appropriations, we generally talk about the President's proposal for $15 million last year, or the $20 million that was appropriated. And I think the impressive result of this cross-cut budget exercise is that when you look at the totality of Federal engagement on CALFED and CALFED-related programs throughout California, we are looking at about a $700 million investment over the last 4 years. That is quite impressive and I think amply demonstrates the work of the agencies and the broad sweep of their program commitment.

Mrs. NAPOLITANO. And I can also talk to that in the fact that California has also made that commitment and has passed several water bonds in the last 8 years that have really substantiated their support and their commitment.

Mr. PELTIER. Yes.

Mrs. NAPOLITANO. I am out of time, Mr. Chair. I would be glad to defer to the next person.

Mr. CALVERT. Before I move to the next questioner, in Mr. Peltier's defense, I know that he is a very knowledgeable guy about

California water, and I am sure he is going to do a great job for us today.

Mr. Nunes, you were the first one here, so you will be the first one recognized.

Mr. NUNES. Thank you, Mr. Chairman. This is the first time I get to go ahead of Mr. Radanovich, so that is quite an honor—and Mr. Dooley, even; that is really an honor.

Mr. Peltier, thank you for coming, and thank you for your service. I know that you are knowledgeable on California water issues, and I want to thank you again for being here today.

I have really some questions that I need to have answered by yourself and Mr. Wright that I am concerned about and that I think you are also concerned about. I think I will start out by asking you if there is any area in this cross-cut budget that allows you or anyone else to directly or indirectly affect congressional action.

Mr. PELTIER. I am sorry—affect congressional action?

Mr. NUNES. Yes.

Mr. PELTIER. Well, I think this cross-cut is a reflection of congressional action. It is a reflection of the exercise of the authorities that we have been given by Congress in the appropriation—

Mr. NUNES. I guess I will make it a little bit easier. Does it allow you to participate in or with political organizations to lobby on behalf of or for the administration or against the administration?

Mr. PELTIER. No, absolutely not. We do not lobby. I mean, we will be champions of the programs that Congress has authorized, and we will try to make sure everybody is aware of what it is we are doing and why we are doing it, but in terms of "political," quote-unquote, advocacy, that is not part of our world.

Mr. NUNES. Mr. Wright, do you see that to be the same case as Mr. Peltier sees it?

Mr. WRIGHT. We are in a slightly different position, particularly in this period of uncertainty before the Federal side—the bill has been authorized. The way the program views its job is that until the new authority bill passed, we had basically a State lead and a Federal lead. Now we have a new board where, in addition to having the State agencies on it and the Federal agencies on it, we now have public members.

Our job at the program—the reason why I was hired—was to assure implementation of the ROD and everything that comes with that—to make sure it is balanced, to make sure we have good science, to make sure we have adequate public participation, to make sure we meet the schedules and commitments to the extent we can given our limited budgets—rather than necessarily being advocates for either the State side, the Federal side, or any of the stakeholders. We are supposed to be an independent voice for trying to move this program forward, to put pressure on both the State and Federal side to meet the commitments that are in the plan.

So from a congressional perspective, we are often asked by Members of Congress is this particular bill or this particular program consistent with the ROD, and we try to answer that. That is different from lobbying on behalf of individual projects.

Mr. NUNES. Is there money in this budget that allows you to give advice to political organizations?

Mr. WRIGHT. Oh, I see what you are getting at. No, we do not spend—in fact, I should clarify too that, again, most of the money is going to the Bureau. There is a small amount of money that is going to support the program, but it is mainly to support Bureau people who participate in the program who are bound as part of the Administration from restrictions on lobbying, et cetera.

Mr. NUNES. So you are not supposed to instruct political organization on how to lobby the Congress?

Mr. WRIGHT. Oh, absolutely not.

Mr. NUNES. OK.

Mr. PELTIER. And if I could add, there is a Federally chartered advisory committee, the Bay-Delta Public Advisory Committee, which is made up largely of stakeholders and involved publics from around the State.

In meetings of the Bay-Delta Public Advisory Committee, we make sure everybody is aware of the rules, that they are free to go exercise their—to petition government—but not as members of the advisory committee. They do have to do that in their status as a citizen.

Mr. NUNES. OK. I want to get to another question, and that is, Mr. Wright, you indicate that in this Record of Decision, we want to create 3 million acre-feet of new storage.

Mr. WRIGHT. From surface storage. In addition to that, it calls for another million acre-feet-plus from groundwater storage.

Mr. NUNES. So wouldn't you say that to do that, we would have to at some point build new surface storage projects?

Mr. WRIGHT. Yes. The plan envisions—and we are aggressively moving forward on the feasibility studies—to move toward construction of those projects that meet the various tests in the plan.

Mr. NUNES. So you are not opposed to new storage projects?

Mr. WRIGHT. No. Again, my job is to implement the plan. The plan calls for significant investment in storage.

Mr. NUNES. Would you ever advise people on how to kill legislation that the Congress would act upon to create new water storage projects?

Mr. WRIGHT. No. Again, my advice would be limited to comments on or feedback on provisions of bills as to their consistency with the CALFED Plan, which I said before certainly promotes storage across the board.

Mr. NUNES. Thank you.

Mr. CALVERT. Mr. Dooley?

Mr. DOOLEY. Thank you, Mr. Calvert.

Mr. Peltier, I appreciate the information that was provided by you as well as by OMB, but I guess I am backing up and saying if our real objective here is trying to get a clear depiction about the investments which are contributing to achieving the goals of the ROD, I think there is a lot more work to be done. One of my concerns is that when I look at some of the information that was sent up, especially that dealing with Category B, it appears that we just send up the Army Corps of Engineers' budget for almost every project in the general service area of the CVP, even some not in the service area, because we have a lot of projects in there—one is the Turtle Bay Museum, and there are a number of other projects there—that are basically being considered as Category B projects.

Is that what your intent is, and can you justify that those projects clearly as consistent—as well as USDA; you have some USDA funding that has also been sent up as being Category B that is dealing with EQIP funding, and a lot of that is dealing with on-farm site improvements. And if we really are trying to paint the most accurate picture, which Mr. Calvert indicated that would be more consistent with what we are doing on the Everglades, is this the same way that that was handled down there? I would just appreciate your comments.

Mr. PELTIER. I cannot speak to the Everglades budget formulation; I am not familiar with that. But I certainly recognize what you recognize in terms of the breadth and scope, and there is a real tension in making the judgment calls that agency personnel do in terms of whether something is to be included or not.

We do not want to overstate or pad or throw a bunch of things in that are not related, but that can be a hard call. Certainly the operation of the Central Valley Project is directly related to CALFED. We do not, of course, include, however, the O and M budget, the $80 million-plus that we spend every year operating and maintaining the CVP, as a CALFED investment.

In the Corps' program, if you have some specifics, we can ask the Corps representative to come forward and explain Turtle Bay, for instance, if you would like that. I cannot speak specifically to Turtle Bay.

Mr. DOOLEY. I guess my general observation is that the goal here, again, is trying to identify the Federal investments that we are making that are contributing to the goals that are embodied in the ROD. There is a line item here for the Pine Flat Turbine Bypass, which is a great project; it serves part of my district. But this is a private project. This is not a CVP, it is not a State project. And I guess I do not quite understand why we are considering even expenditures like that as being a contribution to the CALFED. And I think there are a whole lot of them in here when I look at the Army Corps' budget. And I know that everybody is under time constraints, but again—and it looks to me like OMB just submitted a whole lot of the Army Corps projects, and even in the USDA. The Turtle Bay Museum was just one that jumped out at me, but there are a number of others.

Rather than get into a debate right now in terms of the individual projects, I just think there needs to be more work done in terms of really trying to focus on what are those projects that are contributing, because I think we are not getting a really good picture here.

Mr. PELTIER. If I could first say—and I do not want to debate, and I do not want to lose today—but what makes this tough is that the goals of CALFED are expansive, they are very broad, and the geographic solution area is very broad. That is what leads us to the point we have arrived at.

Mr. DOOLEY. I guess my last question is I am really trying to get a little clearer picture in terms of what would be the impact on the Administration's request or inclusion in the next budget they would present to Congress for CALFED without a reauthorization by Congress versus a reauthorization? What would be your expectation in

terms of the impact on the request that the President would be making in his budget that he would be sending up?

Mr. PELTIER. That is like a set-up, right?

[Laughter.]

Mr. PELTIER. I would not want to speculate on that. I think what we have seen in the last 2 years is what would be considered by CALFED standards and the scope of the program a modest proposal in the President's budget, relying on existing authorities. And unless those authorities change, I would assume that we would continue moving ahead as we have been.

Mr. DOOLEY. Thank you, Mr. Chairman.

Mr. CALVERT. I thank the gentleman.

Mr. RADANOVICH. Thank you, Mr. Chairman.

Mr. Wright, welcome to the Subcommittee. I appreciate your testimony.

I do have a question. According to your testimony, about $787 million, Federal money, $68 million of which has been spend on CALFED to date, up to 2003. How much of the funding was dedicated to water storage projects that increased the State's water yield? Can you give me—the information is very good, but it would be nice to see on something like this a summary page that shows all the money from all various agencies throughout all 3 or 4 years.

Mr. WRIGHT. Sure; we could provide that. I am flipping through our annual report here, which does have Year 1, 2, and projected 3 broken down into various categories including storage.

Mr. RADANOVICH. Actually, what I am looking for is an idea of—of that 787, can you give me an estimate of how much has been dedicated toward water storage projects?

Mr. WRIGHT. I do not know if these are apples and oranges or not, but what I am looking at here is in the first year, roughly $100 million, the second year, roughly $125 million, the third year, roughly $100 million for storage projects. Again, those are mainly for planning and feasibility studies, of course, which are going to be necessary. Once we get to the construction phase, obviously, those numbers will have to rise considerably if there is support for construction of one or more of those projects.

Mr. RADANOVICH. So, of the $787 million that has been spent on CALFED so far, about half of that has been spent on water storage projects?

Mr. WRIGHT. No. Again, I am not sure where your 700—let me—

Mr. RADANOVICH. That was in your testimony.

Mr. WRIGHT. Let me make sure we have the same—

Mr. RADANOVICH. It is the Fiscal Year 2003 total budget number.

Mr. WRIGHT. Seven hundred eighty-seven. That is the Stage 1, State, Federal, local, the 787, so that is Fiscal Year 2003, so that is Year 3. In Year 3, again, my figure—and these may be updated, because these were projections at the time they were written—is $108 million out of that $787 million was for storage.

Mr. RADANOVICH. The original intent of CALFED was to bring everybody whole together. My concern over CALFED was the emphasis on environmental restoration. And again, I do not disagree on a lot of the environmental restoration projects, but the problem I have with CALFED is that that has gone along and been far more concentrated on than have water storage projects, and the

idea that AGURB and environmental needs would all be brought forward together, and no group would be out front any more than the other one was, to try to bring everybody together as a group—if you look at the numbers, that has not happened.

Can you give me an idea of how to make sure that that does happen? Is there a set of criteria in place to achieve balance in the implementation of this thing from here on out, because it seems to me that the proportion of spending on water storage should now be about 95 percent, with 5 percent to the other concerns. How do we balance things out?

Mr. WRIGHT. Yes, of course, it depends on how you look at the books. If you look at it from a water management perspective, if you add storage together with water recycling and conservation and groundwater, et cetera, we found that actually, we are spending twice as much on water management as we are on ecosystem restoration—but again, that is a dollar-for-dollar situation. We are concerned with making sure we have balanced funding. It is obviously challenging to have as much money for surface storage given that we are just planning the projects versus implementation of our other programs, so until we get—

Mr. RADANOVICH. But you would have to admit, though, that since 1995, the emphasis has not been on planning new water storage projects—the emphasis has been on ecosystem restoration.

Mr. WRIGHT. Well, given that we are moving as rapidly as possible on the storage projects, I do not know that it is fair to say that is not where the emphasis is—

Mr. RADANOVICH. But you were not working as rapidly as possible in 1995, and you were working as rapidly as possible on ecosystem restoration.

Mr. PELTIER. I would add that, yes, I think that is an accurate statement, and it was largely because, at least from the Federal perspective, we had the Central Valley Project Improvement Act in place and a $40 million-a-year revenue stream for ecosystem work. We then had the Bay-Delta Ecosystem Act passed in the appropriations project and then subsequently funded to the tune of a couple of hundred million dollars.

So, yes, that is an accurate representation and perspective, but I would share also with Patrick that the challenge, when you look at what has been spent to date, it is clearly unbalanced because of those—and also because the bonds had a heavy focus on ecosystem improvement.

Mr. RADANOVICH. Well, then, what happened to the concept of everybody being brought forward together on this thing? Is that going to remain—

Mr. PELTIER. The concept remains—

Mr. RADANOVICH. Are there criteria set in place to make sure that that balance comes back now?

Mr. PELTIER. The ROD calls for and our practice calls for the Secretary of Resources and the Secretary of Interior making a finding—that, as they develop their work plans, that they make a finding that the program is balanced, and that does occur. I participated last summer in the working group that spent a day going through the work plans out in California, and everything is not balanced in a year.

Mr. RADANOVICH. No, Jason, it has been 8 years.

Mr. PELTIER. I know, but in terms of this year's program, you cannot say that everything has the same amount of money and the same amount of progress is being made on every one.

Mr. RADANOVICH. Why was the commitment made to bring everybody forward together, then, when in fact it has not been the case?

Mr. PELTIER. It is over time that we will see—we cannot make the kind of investment in surface water storage construction today, because we have not done the necessary work, so you are not going to see that—we cannot have simultaneous improvement on all fronts, but everything is progressing, I would say.

Mr. WRIGHT. I think the criterion that we use is are all elements of the program moving forward together. Clearly with respect to storage, from a financial perspective, the contribution now that we are in the planning stage simply cannot be as high as it is for programs that are in the implementation stage.

Mr. RADANOVICH. But you did not have the emphasis on storage until the last 2 or 3 years. This has been an 8-year project.

Mr. WRIGHT. No. The ROD was established 3 years ago.

Mr. RADANOVICH. Yes, but the process started in 1995 when funding was—funding began in 1995. We got the authorization, and the funding began during that time. That was $150 million in 1996, roughly $150 million the following year, and disproportionately gone to ecosystem restoration, where the studies on the water storage projects did not really start until the last year or two.

Mr. PELTIER. Well, in fact we did not have until the 2003 omnibus bill was passed authority to conduct feasibility studies—except for Shasta—for any of the storage identified in the CALFED—

Mr. RADANOVICH. That is because it was not in the appropriations. Where was the authority not given—or, if the authority was necessary, when would it have happened in order for you to begin to study these projects? Who is responsible for it? Has it been the Congress, or has it been the CALFED Program itself?

Mr. PELTIER. My sense is that it has been part of the larger discussion of what is needed in terms of legislation. And one thing that we continually pointed out as people were having discussions about authorization of the CALFED Program, authorization legislation, was that we were very limited in reclamation in terms of the amount of work we could do on storage—except in the case of Shasta—in all other cases, we were limited to pre-feasibility work; we could not cross the line into feasibility-level work until we were so authorized, and we were with passage of the 2003 omnibus bill.

Mr. RADANOVICH. Mr. Chairman, I see my time has run out.

Mr. CALVERT. You will get another shot at it.

Before I move on to Mrs. Napolitano—because I think the question here is—and obviously, there is a level of frustration that you are feeling not only here on the dais but back home—we have spent a considerable amount of time and resources to plan and do the feasibility studies. When are we actually going to get some of the storage projects under construction? We want to go to the groundbreaking ceremony, so we put our schedules ahead pretty good. When can we expect to put that on our schedule? Does anybody here have any predictions?

Mr. WRIGHT. Let me take a shot at it. I think for the projects that have somewhat of a head start, from what I understand, for Sites Reservoir, for Shasta, for Los Vaqueros—In-Delta is still undergoing science review right now—my understanding is that we will have draft EISs by the end of 2004 assuming we continue to get the kinds of Federal investments we need to keep those projects going. Some of those represent delays from what was originally envisioned in the plan in part because of the lack of Federal funding. The San Joaquin project is a little behind that but not too far behind, because significant investments have been made there as well.

Mr. CALVERT. Let me ask this question. With the completion of the EIS, are the concurrent actual design/build plans being done on these projects? Are we going to have to go into design after the completion of the EIS? I am talking about actual construction drawings.

Mr. PELTIER. My understanding of the process is that once we get through the feasibility process and we find the project feasible, Congress needs to then authorize construction, and a part of that is getting to the detailed design. We need feasibility to do construction design.

Mr. CALVERT. I want everybody to understand. So the working drawings have not begun, and the working drawings themselves cannot begin, through the process we are going through—feasibility, the EIS—until those are completed under the rules that we operate under. And how long typically does it take to do a design for an actual construction project of that magnitude, just approximately?

Mr. PELTIER. Well, if you look at the case of the two most recent reservoirs built in California—they were built by local water agencies—it was a matter of a few years if you look at East Side Reservoir.

Mr. CALVERT. So you would say a minimum of 2 years to do a design, actual working design drawings, to start the project?

Mr. PELTIER. Rather than guessing, why don't we get back to you with a more—

Mr. CALVERT. But I am just trying to get for the record today—I want everyone here to understand that if the EIS is not going to be completed until 2004, there is probably not much of an opportunity to get any of this under construction until at least 2006, based upon where we are today. That is what I am hearing. And from a background in construction, I know that on a job that size, it is going to take a couple years to do the drawings.

Mr. PELTIER. Probably 3 to 4 years to do design, yes, so you are correct. We can provide to the Committee and its members—the Bureau of Reclamation and Department of Water Resources regularly prepare a status report on the storage project activities that are going on, and we will provide that to you on a regular basis.

Mr. CALVERT. And for the record, later we could maybe get a more precise approximate schedule of when some of these projects can be under construction.

Mr. PELTIER. I think that would be valuable for all of us.

Mr. CALVERT. Mrs. Napolitano?

Mrs. NAPOLITANO. Thank you, Mr. Chair.

First of all, I would like to ask unanimous consent for any member to submit questions for the record and request reply for same from the Administration, Mr. Chair.

Mr. CALVERT. Without objection.

Mrs. NAPOLITANO. The second thing is—and Mr. Peltier, I do not want to pick on you—but in the second paragraph of your testimony, the first sentence reads, "The administration supports the CALFED Program and the concepts embedded in the CALFED Bay-Delta Program Record of Decision."

Are they not one and the same?

Mr. PELTIER. I would say that that is a very consistent statement of our view of the CALFED Program and the ROD that we have been articulating for the last 18 months.

I can understand your thinking that there is something shifty about using those words, but the fact is the ROD is a programmatic document which has a huge, huge number of possible programs and activities; some are conceptual, some are operational today. So there is a wide variety of things contained within the ROD, and we do not want to find ourselves in a position of saying that we support every, single thing in that ROD, because there are ideas in the ROD, and what those ideas evolve into may or may not reflect the idea that they originally started out with.

I guess that is the best I can do in terms of an explanation. The ROD is a very sweeping document.

Mrs. NAPOLITANO. Well, then, the question that comes to mind is can the Administration assure us that there is nothing in this cross-cut budget that falls outside the ROD—and that is kind of in the same vein that my colleague was questioning on, that it is not consistent with the ROD.

Mr. PELTIER. I am aware of nothing in the cross-cut Category A or B that is inconsistent with the ROD. As I said earlier, I think it is clearly a judgment call when you get into Category B, of how well does a program line up with the very broad goals and objectives of the CALFED Program. So there is judgment, and there can be debate. I think that our goal, our objective here today, is to recognize that there can be debate, but also our goal is to say there is a big body of work associated with the goals of CALFED that is going on here, and we ought to recognize and appreciate it.

Mrs. NAPOLITANO. I thoroughly support the concept, the whole idea that we need to be sure that California's water system is assured. We in Southern California rely on a lot of that water being transferred down to Southern California, and my main concern in Southern California is are we going to have water reliability.

First, we have MOAB in Utah, that may cause problems in that third of the water delivery because of the contamination of the Colorado. Now we are talking about pollutants in their water. We have tremendous problems with our contamination in wells, in our own well water supply. So you understand the frustration for us as being able to assure that we in Southern California, who have the major part of the people drinking the water, have a reliable water source.

So that is partly what I am concerned with, and there are a couple of questions that I am going to be asking further. But in this

cross-cut budget that you have submitted, were all the Federal agencies consulted in preparing this budget?

Mr. PELTIER. Yes, to the best of my knowledge. The ClubFED group—the name we apply to the grouping of Federal agencies on the ground in Sacramento, or in California, that are engaged with CALFED—was passed directly by OMB to provide the initial—

Mrs. NAPOLITANO. OK, so the information came directly from the different agencies.

Mr. PELTIER. Yes.

Mrs. NAPOLITANO. And what was the Department of Interior's role as the lead CALFED agency in this process?

Mr. PELTIER. To organize meetings, to take the initial cut at the—what had been missing in prior efforts to develop a budget cross-cut was uniform guidance, if you will, on what should be in and out of Category A and Category B. Reclamation, to get the discussion rolling, took the first cut at a description of that so folks would have the same basic guidance in terms of making their decisions about what is in Category A or Category B. Reclamation also organized the meetings, followed up with the various agencies and assured that they got the information together; they coalesced the information on spreadsheets and provided that to the Office of Management and budget.

Mrs. NAPOLITANO. Was this also coordinated with the State of California?

Mr. WRIGHT. Yes. We got the information both in working through Interior and OMB. Let me also just say in Interior and the Administration's defense that we do think it is useful to have that long list of Category B projects to have this kind of discussion, to have a debate over whether this local project should be counted or not, whether Turtle Bay should be counted or not. We may still need to do some more work on how you summarize those numbers to make sure you are getting accurate information, but the whole point of this exercise is to give you a handle on the total investment in California water infrastructure so that we can have this discussion on are we getting the kind of coordination that we need.

Mrs. NAPOLITANO. Thank you, Mr. Chair. I will go to the next round.

Mr. CALVERT. ClubFed; we ought to all get together and meet at the Salton Sea.

[Laughter.]

Mr. CALVERT. Mr. Nunes?

Mr. NUNES. Thank you, Mr. Chairman.

I have an email that I would like to submit for the record and ask if you would give that email to the witnesses, please.

Mr. CALVERT. Without objection, so ordered. Please distribute the email.

[The document follows:]

Nelson, Damon

From: Jason Peltier/ASWS/OS/DOI [Jason_Peltier@ios.doi.gov]
Sent: Monday, February 10, 2003 3:42 PM
To: john_watts@feinstein.senate.gov; Wackman, Mike; Nelson, Damon
Cc: David Bernhardt/SIO/OS/DOI; Patrick W.
Subject: RE: Confidential: more info re CVPIA funds & new dams

We are deeply concerned about the tone and implications of this exchange of emails. Bennett has expressed his concerns directly to Patrick about this. We recognize that Patrick has a fine line to walk in informing the Hill about implications of various legislative notions on the CALFED program, but you should know that he is not authorized to represent the Federal government on legislative matters.

Jason Peltier

----- Forwarded by Jason Peltier/ASWS/OS/DOI on 02/10/2003 03:22 PM -----

"Wright, Patrick" <patrick@water.ca .gov>
02/09/2003 05:50 PM

To: "Mary Nichols (E-mail)" <Mary@ceres.ca.gov>, "Gary Hunt (E-mail)" <ghunt@calstrat.com>
cc: "Tim Ramirez (E-mail)" <tim@ceres.ca.gov>, "David Kim (E-mail)" <david.kim@wdc.ca.gov>, "Steve Hall (E-mail)" <steveh@acwanet.com>, "Timothy H Quinn (E-mail)" <tquinn@mwdH2O.com>, Jason Peltier/ASWS/OS/DOI@DOI
Subject: RE: Confidential: more info re CVPIA funds & new dams

John Watts from Feinstein's office called me at home Sat to deliver the news that Doolittle and Calvert are introducing a different version of a CALFED amendment to the omnibus approps bill, which would authorize feasibility studies for any storage projects in the CALFED solution area, including on and off-stream projects. This is not the deal she reached with Pombo last week (which is limited to Sites, Los Vaqueros, and upper San Joaquin), so she is now going to call him monday morning and demand that he and the House republicans stick with their agreement. If he doesn't, we'll have a quite a war. Apparently, this is all supposed to be wrapped up by 6 pm monday.

-----Original Message-----
From: Candee, Hal [mailto:hcandee@nrdc.org]
Sent: Friday, February 07, 2003 5:36 PM
To: Wright, Patrick
Subject: RE: Confidential: more info re CVPIA funds & new dams

Sue didn't call back, but Watts did and he says the Bureau says the Nunes bill is unnecessary because they have no intention of billing water users for cost share because the mere fact that the State participates in CalFed means that any ISI investigation is inherently cost-shared by the state and thus, no further cost-share is needed. there goes your beneficiary pays theory.

incidentally, i hear they agreed to let the Bay-Delta Authority language come out because Bennet Raley promised Pombo and Feinstein it was unnecessary to allow Interior participation. that should inspire your confidence.

what other lovely amendments should we expect next week??

-----Original Message-----
From: Wright, Patrick [mailto:patrick@water.ca.gov]
Sent: Friday, February 07, 2003 3:30 PM
To: Candee, Hal
Subject: RE: Confidential: more info re CVPIA funds & new dams

i would follow-up with Sue; no telling what she told him, and it's not over until it's over. They expect to be done monday.

-----Original Message-----
From: Candee, Hal [mailto:hcandee@nrdc.org]
Sent: Friday, February 07, 2003 3:20 PM
To: Wright, Patrick
Subject: RE: Confidential: more info re CVPIA funds & new dams

thanks. I hadn't heard back from him, but he claimed the Bureau thought it would be OKAY, so I felt we better arm him with all the reasons the law doesn't allow it. I can't believe Feinstein would even take Nunes seriously: even his constituents apparently don't.

what is the final language and when will it be rolled out and approved?
Thanks.
Hal
PS: Do I need to call Sue Ramos or is the Nunes idea dead? Do you suppose he is running this by Pombo and Doolittle as well?

-----Original Message-----
From: Wright, Patrick [mailto:patrick@water.ca.gov]
Sent: Friday, February 07, 2003 3:12 PM
To: Candee, Hal
Subject: RE: Confidential: more info re CVPIA funds & new dams

thanks; when John Watts told me this morning about the Nunes request, and wanted a "CVPIA expert," I asked him to call you. All I know is what John told me: that Nunes is requesting rest fund money for the local share for the studies. We also had him call Sue Ramos to get the Bureau's input. When I last talked to John (about 2 pm PST), he said Feinstein wasn't going to agree.

-----Original Message-----
From: Candee, Hal [mailto:hcandee@nrdc.org]

Mr. NUNES. And if I can make one more request, Mr. Chairman, there is part of this email that is not available, that has been cut-off, and I do not know if you can ask the witnesses to provide the rest of the email.

Mr. CALVERT. If in fact any additional correspondence could be added to this, we will certainly ask that that be provided as soon as possible.

Mr. NUNES. Thank you.

[Mr. Calvert's letter to Patrick Wright requesting the email in its entirety follows:]

RICHARD W. POMBO, CA
Chairman
DON YOUNG, AK
W.J. "BILLY" TAUZIN, LA
JIM SAXTON, NJ
ELTON GALLEGLY, CA
JOHN J. DUNCAN, JR., TN
WAYNE T. GILCHREST, MD
KEN CALVERT, CA
SCOTT MCINNIS, CO
BARBARA CUBIN, WY
GEORGE P. RADANOVICH, CA
WALTER B. JONES, NC
CHRIS CANNON, UT
JOHN E. PETERSON, PA
JIM GIBBONS, NV
MARK E. SOUDER, IN
GREG WALDEN, OR
THOMAS G. TANCREDO, CO
J.D. HAYWORTH, AZ
TOM OSBORNE, NE
JEFF FLAKE, AZ
DENNIS R. REHBERG, MT
RICK RENZI, AZ
TOM COLE, OK
STEVAN PEARCE, NM
ROB BISHOP, UT
DEVIN NUNES, CA
VACANCY

STEVEN J. DING
Chief of Staff

U.S. House of Representatives
Committee on Resources
Washington, DC 20515

NICK J. RAHALL II, WV
Ranking Democrat Member
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DONNA M. CHRISTENSEN, VI
RON KIND, WI
JAY INSLEE, WA
GRACE F. NAPOLITANO, CA
TOM UDALL, NM
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BRAD CARSON, OK
RAÚL M. GRIJALVA, AZ
DENNIS A. CARDOZA, CA
MADELEINE Z. BORDALLO, GU
GEORGE MILLER, CA
EDWARD J. MARKEY, MA
RUBÉN HINOJOSA, TX
CIRO D. RODRIGUEZ, TX
JOE BACA, CA
BETTY MCCOLLUM, MN

JAMES H. ZOIA
Democratic Staff Director

May 19, 2003

Mr. Patrick Wright
California Bay-Delta Authority
650 Capitol Mall, Fifth Floor
Sacramento, California 95814

Dear Mr. Wright:

I am writing to thank you for appearing before the Subcommittee on Water and Power on Thursday, May 15 , 2003 to present testimony on CALFED's Crosscut Budget.

I appreciate the effort you took to prepare and present your testimony. While many questions were asked during the hearing, the Subcommittee is requesting additional information, to be included in the hearing record, for your reply.

Specifically, Congressman Devin Nunes, 21st District of California, submitted a partial email that you wrote regarding CALFED for the hearing record. At that time, a request was made to you to submit the entire email to the Subcommittee for the record.

Please forward this entire email to the Subcommittee, attention Daisy Minter, Clerk, at 1522 Longworth House Office Building, by no later than Thursday, June 12, 2003.

Once again, thank you for your extensive effort in making this a valuable hearing.

Sincerely,

Ken Calvert
Chairman
Subcommittee on Water and Power

http://www.resourcescommittee.house.gov

Mr. NUNES.

Mr. Peltier, I know your position on political activity—you answered that in the first round of questions—and Mr. Wright, and I think you both answered correctly, because Federal law prohibits both of you from engaging in political activity.

That is why, Mr. Wright, I am curious as to why you referred people to the NRDC, which is a nongovernmental political organization, to speak with a CVPIA expert, as illustrated in your email conversation with Mr. Candee.

Mr. WRIGHT. I am often asked by Members of Congress who in the stakeholder community they should consult with to get the best

information they need. I frequently refer them to members of the AGURB and environmental community so they get the best information they can, and certainly this email was a part of that process, and that is part of the ongoing process of having a collaborative process, to make sure—

Mr. NUNES. That you advise the NRDC how to kill my legislation in Congress?

Mr. WRIGHT. I am not aware that this in any way advised them how to kill your legislation.

Mr. NUNES. Well, I respectfully disagree with that, Mr. Wright, and I think that Mr. Peltier understands that also. That is why at the top of this email, Mr. Peltier definitely instructed—I think you said that you advised Mr. Raley to speak to Mr. Wright on this very issue, Mr. Peltier?

Mr. PELTIER. Yes, and they did talk. We had a conversation right around the time I sent this email, and I think we are comfortable that we had a better understanding than we got from the email about what was going on. And what I forwarded to your staff was what I had, so as to the question of do I have any more back and forth—this was it—and I did not get into any further.

Mr. NUNES. Obviously, there is more to this email, and I know that we can find it.

Mr. Chairman, can you ask the witnesses to provide the rest of this email?

Mr. CALVERT. Please. From the witnesses, if there is any additional email correspondence that would be appropriate, we would like to have that submitted for the record as soon as possible.

We will keep the record of this hearing open for enough time for you to submit any additional correspondence that is out there. And we will follow up to make sure we obtain that email.

Mr. NUNES. Thank you, Mr. Chairman.

I am concerned because, as you can see by the tone of this email, there is obvious coordination between NRDC, which is a nongovernmental political group, political lobbying group, directly to this CALFED process, which gets back to your question about when are we going to see new storage projects. I do not know when we are going to see new storage projects when we are financing people who are actively engaging in activity that would slow down the process in getting to new surface storage.

I am very concerned that we are going to continue—I think Mr. Radanovich was exactly right in asking the questions about the continued Federal participation, because we have not seen any new storage, nor is there a new storage facility that has even been designed, or at the design stage.

So, Mr. Wright, I am extremely concerned that you are partial to an organization that is opposed to new surface storage. You instructed them to call various people in the Bureau to kill my legislation. And I do not know that you did it knowingly or on purpose—it could possibly be an accident—but I am very concerned.

There are more questions that I have on this email, Mr. Chairman. I do not know that it is germane to the topic that we are talking about, but I think that there are definitely not Federal dollars available to lobby political organizations.

Mr. CALVERT. Mr. Nunes, if you would like to submit a list of questions, we will instruct the witnesses to answer those questions.

Mr. NUNES. Thank you.

[A letter submitted for the record by Patrick Wright, Director, CALFED Bay-Delta Program, in response to a request for information by Mr. Nunes follows:]

CALFED
BAY-DELTA
PROGRAM

650 Capitol Mall, Fifth Floor
Sacramento, California 95814

(916) 445-5511
FAX (916) 445-7297
http://calwater.ca.gov

May 30, 2003

JUN 11 2003

Honorable Ken Calvert, Chairman
Subcommittee on Water and Power
U.S. House of Representatives
1522 Longworth House Office Building
Washington, DC 20515

Dear Mr. Calvert:

This letter is in response to your letter of May 19, 2003, requesting additional e-mails related to issues raised by Congressman Devan Nunes. Since I was not involved in any additional communications on this issue, I have no other e-mails in my possession. Please feel free to contact me, at (916) 445-4500, if you have any other questions or concerns.

Sincerely,

Patrick Wright
Director

CALFED Agencies

California
The Resources Agency
Department of Water Resources
Department of Fish and Game
The Reclamation Board
Delta Protection Commission
Department of Conservation
San Francisco Bay Conservation and Development Commission
California Environmental Protection Agency
State Water Resources Control Board
Department of Health Services
Department of Food and Agriculture

Federal
Department of the Interior
Bureau of Reclamation
Fish and Wildlife Service
Geological Survey
Bureau of Land Management
Environmental Protection Agency
Army Corps of Engineers
Department of Agriculture
Natural Resources Conservation Service
Forest Service
Department of Commerce
National Marine Fisheries Service
Western Area Power Administration

Mr. WRIGHT. And Mr. Chairman, I would be happy to follow up with you and the Congressman and also to share with you my voluminous emails with all the interests in California that I communicate with on a daily basis. This is simply one email out of thousands that I deal with.

It is a delicate position that I am in, trying to move all these stakeholders together and support Members of Congress in their requests for information, and I will be happy to work with you further to make sure I do not cross any lines.

Mr. NUNES. So, if I am hearing you correctly, do you mean you have instructed other organizations on how to kill my legislation?

Mr. WRIGHT. No, no, no. It did not take place here, and it has not taken place anywhere else, I assure you.

Mr. PELTIER. I would differ a little bit, but only in a kind of humorous fashion. I know that when I was a stakeholder, CALFED leaders and management told us to straighten up and fly right and get with the program and work together and quit fighting. So there was constructive advice given, not in the vein of political or anything like that, but CALFED management, CALFED agencies and participants, I think play an important role in moving the process forward, because stakeholders and agencies have their own missions and their own objectives and accomplishments, things they are trying to do, while not paying full-time, focused attention to the CALFED Program. And we rely on the CALFED staff and management, whose sole job is moving the program forward, to push and prod and remind the agencies and stakeholders of the bigger deal that they have all signed onto.

Mr. NUNES. Thank you, Mr. Peltier.

Thank you, Mr. Chairman.

Mr. CALVERT. One thing I want to point out in this email, whatever your position on CALFED may or may not be, is the tone of this email. It disturbs me, and I have dealt with all the stakeholders over the last number of years, and I have never tried to personalize this in any way—and I know, Mr. Wright, in your email here, that the gentleman involved in this email obviously has—unfortunately, I think—made a personal attack against Mr. Nunes, and I do not appreciate that. I would hope that anyone who is involved in this process would recognize that we are professionals here, and we have a job to do, and this type of attitude is certainly not appreciated by me, and I will certainly take note of anyone who engages in that kind of activity in the future.

Mr. PELTIER. If I could, Mr. Chairman, I share that—Bennett and I share that—uncomfortableness, and actually more than that, kind of antagonism toward that kind of—what we saw in the email—and that in part prompted our concerns about it. We share your belief in way of doing business, that this is out of line, and it is not Patrick's part that is out of line, but we wanted to distance ourselves from that kind of language.

Mr. CALVERT. I appreciate that.

Getting back to CALFED and the Bay-Delta, there is one thing—obviously, we are concerned about storage, and you can feel the frustration here in the time that it takes for us to get to the point where we can actually build the projects that are even in the Record of Decision. Many of us believe that the amount of storage that is in the Record of Decision is inadequate. But nevertheless, the storage that is in the Record of Decision needs to be built.

But also, the other part of that is to convey the water and improvements that need to take place within the Delta to maintain water quality within the Delta. Certainly there are some issues

with farmers and others in the Delta to make sure that the water quality is good and at the same time that we are able to convey water.

So I guess the question is that the barriers that need to take place in the south of the Delta—I know that temporary improvements are in—but how quickly can we get—are we going through the same process in order to get those improvements in where we can convey water—if in fact we have water to convey, where we do not create problems within the Delta, but if the water is there to convey, we are not in the position to convey it at the present time, as you all know.

So what is the timing of doing those improvements?

I guess I will start with you, Patrick.

Mr. WRIGHT. Sure. We have a very aggressive program underway to try to increase the conveyance capacity of the State pumping plant. The draft environmental documents for those projects are due—I think late summer is the latest estimate. That also has to be coordinated with a whole series of other related actions to make sure that the Delta interests, Contra Costa interests, and water quality interests are protected as well, together with some Federal actions that are related. The final documents are due early next spring, so that by late spring or early summer, we are ready to go.

This is not an issue that requires further construction. It is simply getting the permits that we need to use the available capacity that is there but is not being used.

Mr. PELTIER. If I could add, I think the CALFED and the program, particularly the science element, have added in a quantum fashion to our understanding of how the Delta works. As you may be aware, for 20 years, I believe, primarily the State and Federal water projects have provided about $15 million a year for the Interagency Ecological Program to study ecological functions in the Delta. We have moved significantly beyond the body of work that they have created through CALFED, with their investigations into how the Delta cross-channel works and how it affects water quality and fisheries. And there is a workshop coming up in a month or so, I believe, of the CALFED Science Program.

To step back, it has been several years since we entered into the accord and had biological opinions in place, and it has been recognized that there is a need for the Science Program as well as the managers and the stakeholders to step back and look at the body of knowledge that we have gained over the last decade and see how our understanding has changed and, as a result of that, does the way that we operate in the Delta need to change.

Mr. CALVERT. And a little bit of education, I think, that we need to do in selling down in that region is that we are out to improve the water quality in the Delta and at the same time convey water. So we need to get out and amongst folks down in the Delta and explain that a little better, I think.

Mrs. Napolitano?

Mrs. NAPOLITANO. No questions at this time.

Mr. CALVERT. Mr. Radanovich. Go ahead, George.

Mr. RADANOVICH. Thank you, Mr. Chairman.

Jason, can you tell me briefly what projects are currently not receiving funding due to the absence of CALFED appropriations? Are

there any projects that are not moving forward in the absence of this funding?

Mr. PELTIER. Well, there are a lot of things that are not funded if you look at the Bureau portion of the budget. The funding is focused on environmental water account, storage probably is the bulk of it, funding the Tracy fish screen. The Bureau with its existing authority is limited in what it can do. It is limited in its ability to do work that people would like to see it do in broader watersheds; it is limited in its ability to fund a more sweeping consultation program with the Native American interests; it is limited in its ability to spend money, certainly to the extent that was envisioned in the ROD, to meet the mileposts. And as a result, we all recognize that the States' financial circumstances evolve, too.

Mr. RADANOVICH. OK. Now, hang on, Jason. I only have a little bit of time here.

I wanted to ask Mr. Mark Charlton, who is with the Army Corps of Engineers, if he could come to the mike. I would like to ask him a question regarding storage.

Mr. Charlton, of the projects like Sites and Los Vaqueros, those that are in the ROD, assuming you got a green light today, can you give me an estimate of, if everything goes smoothly and according to plan, the physical time that it is going to take as far as when those projects would be on line?

Mr. CHARLTON. Your question was my opinion as Deputy District Engineer at the Corps of Engineers—

Mr. RADANOVICH. Sure.

Mr. CHARLTON. —look at those projects that are currently underway in CALFED. Patrick referenced that a draft EIS on these projects would be complete at the end of this fiscal year. The idea is that these projects still need to be authorized by Congress. The Corps' experience is that there is at least a year for complex projects like this to go from a draft to a final to get it back to Congress.

In the meantime, though, I would not see, if there were sufficient funding provided by Congress, why design at that point could not also begin. I would think that there would be for large projects like this—and Mr. Calvert made reference to the problems with large projects; it does take time to design these things—that there would probably, in my opinion, if sufficient funding were provided, be in the neighborhood of 4-plus years for design before we would be able to begin construction.

Now, on many of these projects, if we were very aggressive with the funding and the effort, parts of the project we may be able to move forward from a time schedule like that, because large projects like the Sites Reservoir or even the enlargement of Shasta have many pieces to them. Maybe some pieces could move ahead a little faster than other pieces, and while you build some early on pieces, you continue to do design on other pieces. So you stage the project like that.

Depending on funding, that is our general experience for a timeframe.

Mr. RADANOVICH. So you are looking, really, at 2010 before any of these storage projects are on line?

Mr. CHARLTON. With the construction period, yes. That would probably be very aggressive. And if you look across the country at Corps of Engineers projects, these projects do take time, they are very large, they are very difficult, and that is very typical for public works projects of this nature.

Mr. RADANOVICH. And that does not even account for lawsuits that might be filed to try to stop the projects, or anything like that—do those have an effect on the timing?

Mr. CHARLTON. Of course they do; that is right. My assumption was that we would be successful, and there would not be problems of that nature.

Mr. RADANOVICH. This was my concern—thank you, Mr. Charlton; I appreciate your insight—about keeping the stakeholders together and no one person getting out in front of the other. That was the whole idea with CALFED, was to keep the stakeholders together so that equal funding and equal progress on all counts, for all stakeholders, would happen at the same time.

I was just handed a bit of information on Los Vaqueros Reservoir, which is in Sites, an article stating that there are groups out there that are planning to sue the stoppage of the enlargement of Los Vaqueros. And that group—basically, the ones that are anticipating trying to stop this project have been the bulk beneficiaries of the millions of dollars on ecosystem restoration that has been spent on CALFED so far. And that was the whole idea of not letting one group out more than the other, because then all the stakeholders' needs might not get satisfied.

So when I asked the question about what set of criteria do you have in place to achieve such balance in the implementation of CALFED, I think it is very, very important for CALFED to have figured out in 1995, and in the absence of that even today, it still behooves people to be sure that you do have some kind of criteria in place to make sure there is balance in this, because one interest group can just jump right off this process and sue the pants off anybody else to stop progress on any other element of this CALFED plan.

So I would like to see some set of criteria to make sure there is balance in this program at least from here on out, because it has not been up to this point, and we are looking at 2010 even if things went lickety-split and very smoothly, and that of itself is too long.

So I just needed to make that point and wish that I could see somebody come back and make sure that the emphasis from here on out is really applied to storage until we get some kind of balance in this thing.

Mr. PELTIER. I would say we could provide that information. The ROD does have quite a discussion of balance in it, and I think the criteria are reasonably well-spelled out there in terms of guidance.

Mr. RADANOVICH. Can that prevent the lawsuits on any of these water storage projects, Jason, that are going to come up along the line? The only leverage you had was giving the other stakeholders what they wanted, or making them wait until this whole thing was moved forward together. That was the whole idea of CALFED—keeping the stakeholders together and moving everybody forward at the same time. It has not happened, and water storage projects are looking, as a result of that, beyond 2010.

Thank you.

Mr. CALVERT. Thank you.

Before I go to Mrs. Napolitano, I guess to summarize what Mr. Radanovich's fears are—and many of us—is the bait-and-switch thing, that we go so far down the line that all the money has been spent on environmental restoration, all those projects are completed, and then the same coalition of folks that we had put together all of a sudden disintegrates, and they come out opposed to all the storage projects and in fact file suit against the very projects, as Mr. Radanovich said, as happened at Los Vaqueros.

Mrs. Napolitano?

Mrs. NAPOLITANO. Thank you, Mr. Chairman.

Dovetailing into Mr. Radanovich's point, I would also like to have a report on how much usable water would be produced by these construction projects, these dam projects. I would also like to have a comparison of the time to construct and the water produced by recycling, the cost timeframe.

That would be very helpful in being able to at least move us forward to the 4.4 plan for 2016 for California, or at least in my mind, that is part of it.

I would submit that for the record.

Mr. CALVERT. Without objection.

Mrs. NAPOLITANO. I would also like to refer to Title XVI as shown in the cross-cut budget for Fiscal Year 2003 was $18 million, and for 2004, $13.2 million. Do these figures reflect the deduction we are paying for the Sumner Peck drainage settlement?

Mr. PELTIER. For 2003?

Mrs. NAPOLITANO. 2003 is $18 million; 2004 is $13.2 million, a reduction of $4.8 million.

Mr. PELTIER. Right. My understanding of those numbers is that 2003 is the enacted level, and 2004 is the number that is in the President's budget. In 2003, my understanding is that the Peck settlement was funded from the judgment fund. I am not certain how it is treated in the 2004 budget; I will have to get that information and provide it to you.

Mrs. NAPOLITANO. We would like to have that information, if you would not mind.

I would also like to make a point, because we keep saying that the environmental restoration has been taking a considerable amount of attention, which in some areas I think is rightfully adequate, or at least should be—but that also includes, if I am not mistaken, the restoration of the fisheries, the areas that produce salmon, which is part of California's economy.

So I want to be sure that we get that straightened out, that we figure out how much actually goes for environmental versus restoration of fisheries and other areas. I would say it is more than 50 percent, but I would like to see how that parcels out.

I read in somebody's report that the fisheries and the hatcheries and the salmon are beginning to rebound from the lows that were evidenced in the last few years. To me, that goes hand-in-hand—we have economy, we have the ability to be able to have funding, if you will, for the projects that are needed, to be able to have those in 4.4, and to be sure that all of California has adequate water supply and so on.

Mr. PELTIER. I would say it is in some cases quite exciting. The response of winter run salmon over the last few years, for instance, has been very impressive.

However, the challenge is—answering the question why did the numbers go up, we would hope that in part, it is a result of the investment in fish screen and in fish passage and in habitat improvements, in modification of project operation. We hope and expect that all of that investment in ecosystem improvement is going to lead to a result that is of significance. That is why I think it is widely recognized that part of the critical path to getting to reliable water supply is that ecosystem investment.

But there is uncertainty. Certainly we cannot ascribe very specifically what the result of these investments is, because there are in fact many other factors that affect the health of the fisheries beyond the habitat that we are focused on.

Mrs. NAPOLITANO. Right, but we must not say that the issue of environmental restoration is totally the Endangered Species Act.

Mr. PELTIER. That is correct. There is a significant amount of the investment that is made and the operational restrictions, as a matter of fact, that it is recognized that those investments and those decisions have collateral benefits for other species. And while we want to make sure that we are focused adequately on the needs of the listed species, we fully recognize that there are collateral benefits, and that is much appreciated.

Mrs. NAPOLITANO. Mr. Wright?

Mr. WRIGHT. Yes, just to add to that, as Jason said and as Mr. Radanovich alluded to, in 1995, there was broad-based agreement in California that we needed to give the ecosystem program a down payment, which is why Congress authorized us to spend a couple hundred million dollars on the ecosystem program to turn around the significant declines in the fisheries of the estuary.

Those investments, as Jason said, have paid off not only in terms of trying to begin to reverse the decline of the fish species but also in terms of water supply. The allocations of water south of the Delta, pumping constraints, are less significant today because of those fisheries investments. Allowable take, for instance, for listed species is higher today than it was several years ago, so there is a direct correlation between the ecosystem investments we have made and improvements in water supply, and certainly we hope that will continue.

Mrs. NAPOLITANO. Thank you very much.

Thank you, Mr. Chair.

Mr. CALVERT. I thank the gentlelady.

Mr. Nunes?

Mr. NUNES. No further questions, Mr. Chairman.

Mr. CALVERT. I would like to ask a quick question—oh, excuse me, sorry. Please ask your global warming question, Mr. Inslee.

Mr. INSLEE. Would it be appropriate if I just give the answer, too, Mr. Chairman?

Mr. Chairman, I will pass today. Thank you very much.

Mr. CALVERT. Thank you.

I have a question just for my own edification, and possibly, Jason, one of the people that you have brought with you can answer this question, or maybe Patrick knows the answer.

We have had a pretty good snowfall, thank God, in the Sierras, so where are we right now as far as the snowpack and our estimates for water this year?

Mr. PELTIER. Could I bring Kirk Rogers, the Regional Director, to the table?

Mr. CALVERT. Absolutely; bring him up.

Mr. ROGERS. Thank you, Mr. Chairman.

My name is Kirk Rogers, and I am the Regional Director for the Bureau of Reclamation in Sacramento.

Certainly the snowpack has improved, and the water supply in our reservoirs is increasing. In fact, we have been releasing for flood control out of Shasta on a continuous basis recently to make room. We had a very full reservoir there and incoming storms.

However, for most of the watershed, I believe our water year designation remains at below normal in the Sacramento area and dry in some of the other areas. So even with these improved conditions, our water year designations have not changed. That could change when we move into the next month's allocation, though, so we are still hopeful.

Mr. CALVERT. Do you have any information, too, on the Rockies and the situation in the Colorado River, any improvement with Lake Powell, Lake Mead?

Mr. ROGERS. It is extraordinarily dry there, still, Mr. Chairman, and no real marked improvements that I have been reported on.

Mr. CALVERT. Thank you.

Are there any additional questions?

Mrs. NAPOLITANO. Yes, one question, since we now have the gentleman from Sacramento here, and it is related to Northern California instituting water meters. What is the timeframe, what is the time line, and how does that fit in with the CALFED Record of Decision? Is that part of it, to be able to ensure that that happens?

Mr. ROGERS. Under the Central Valley Project Improvement Act, there was a provision for water measurement and a condition that we need to put in all the contracts that we renew for water service for those municipalities that we have contracts with.

As we have renewed the contracts, we have imposed that requirement. The City of Folsom is one, and there is a schedule in place for them to put their meters in place. The City of Fresno is an area where discussion continues, and we have not been able to resolve that issue yet, because there is a local ordinance that prevents them from putting water meters in.

The City of Sacramento has prior water rights, and we do not have a contract with them, and I do not know of any effort that they are making other than voluntary in some parts of the new construction area for putting water meters in those locations.

But it is a concept that we support. We believe that as you put water meters in, you get a response from the community.

Mrs. NAPOLITANO. Thank you.

It is always amazing—I lived in Sacramento for 6 years during my tenure in the Statehouse—that we do not pay water. Even my staff had a meter that was not connected to anything; it was for view only. When you are asking Southern California because of drought conditions to go into total conservation and other very drastic steps, and my colleagues and my friends in Northern Cali-

fornia may use water to any extent, that needs to change, and I hope that we all abide by the same rules and that we are able to share water equally.

Mr. ROGERS. We agree with you, and in those areas where we have that responsibility, we are pursuing it vigorously. Personally, I live in a community that has a water meter, and I know personally that it influences the way I choose to use my water.

Mrs. NAPOLITANO. Thank you so very much, sir.

Thank you, Mr. Chair.

Mr. CALVERT. Thank you.

I certainly thank our witnesses, and I thank those who attended this hearing.

We are adjourned.

[Whereupon, at 11:45 a.m., the Subcommittee was adjourned.]

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