

Staff Report

for the Board of Directors' Meeting of January 13, 2021

TO: Board of Directors
FROM: Greg Jones, Interim General Manager *GJ*
DATE: January 6, 2021
SUBJECT: Voluntary Agreements Overview

ADMINISTRATION

RECOMMENDATION:

Receive an informational presentation on statewide efforts for Voluntary Agreements.

BACKGROUND:

Federal, state and local agencies, as well as non-governmental organizations throughout the state, are committed to fixing ecosystem problems in the Sacramento River watershed. A collaborative approach, termed Voluntary Agreements, may be an alternative and preferred method to uncertain and often contentious alternatives found to accompany the state's planned update to Bay-Delta Water Quality Control Plan.

One contentious alternative, for example, is the concept of "unimpaired flows", where a certain percentage of water available for diversion and use would be required to be left in-stream. If adopted, an unimpaired flow standard has the potential to significantly impact numerous aspects of the District's operations, including water rights and availability, hydroelectric generation, and recreation.

In an effort to provide ecosystem enhancements and species recovery pathways, Voluntary Agreements may serve as a catalyst for localized, innovative actions and project-specific activities that may improve aquatic environments while building long-term resilience in California's water systems.

Mr. David Guy, President of the Northern California Water Association (NCWA), will give an informational overview of efforts to establish Voluntary Agreements in our region. Mr. Guy has devoted the past several decades to advancing economic interests that promote the conservation of California's special places and their precious water and land resources. Mr. Guy was named the President of NCWA in June 2010. In this position, he helps bring diverse interests together—with support from an interdisciplinary team of experts—to foster regional sustainability for farms, cities, wildlife refuges, fish, and recreation in the Sacramento Valley.

NCWA is one of the key stakeholder groups working on the approval and implementation of Voluntary Agreements.

Additional background information on Voluntary Agreements from NCWA can be located at <https://norcalwater.org/efficient-water-management/bay-delta/>

BUDGETARY IMPACT:

None

ATTACHMENTS:

- A Roadmap to Achieving the Voluntary Agreements (October 2020)
- Voluntary Agreements – Adapting Water Management for Thriving Fish, Wildlife and Communities
- Voluntary Agreements – Introducing a Better Solution for Native Fish

A Roadmap To Achieving the Voluntary Agreements

October 2020

URGENT CALL TO ACTION

State Must Re-Engage on the Voluntary Agreements

Public water agencies across California call on Governor Newsom and his administration to re-engage in negotiations with the federal administration and stakeholders to successfully complete the Voluntary Agreements (VAs). To implement this modern water management approach, we ask the state to take the following actions:

ACTION

1

Resolve the litigation between the state, federal government, public water agencies and NGOs regarding the Incidental Take Permit and the Biological Opinion.

ACTION

2

Convene all parties to complete the VAs and the related efforts to advance the implementation of the Water Quality Control Plan through the Voluntary Agreements.

ACTION

3

Support and assist water agencies that have proposed early implementation projects to accelerate improvements for fish and wildlife, including with funding and streamlined permitting processes.

A Watershed-Wide Approach



The VAs would encompass the Sacramento-San Joaquin Delta and each of the following tributaries to improve reliability for the 35 million people and nearly 8 million acres of farmland dependent on the Delta watershed and its water supply.

- American River
- Feather River
- Mokelumne River
- Putah Creek
- Sacramento River
- San Joaquin River Settlement Upstream of the Merced River (Friant Diversion)
- Tuolumne River
- Yuba River

Background

The Voluntary Agreements (VAs) represent a collaborative, modern and holistic approach to improving the Bay-Delta ecosystem and water supply reliability. Through the VAs, a group of public water agencies are proposing a comprehensive suite of actions that will improve habitat and flows in the Delta and its tributaries to help native fish and wildlife species. This integrated approach presents a historic opportunity to protect and restore the Bay-Delta ecosystem, while improving habitat for native species and water reliability for the 35 million people, nearly 8 million acres of farmland, and remaining California wetlands dependent on the Delta watershed and its water supply.

Governor Gavin Newsom's recently released *Water Resilience Portfolio* recognizes the VAs as an alternative to the State Water Resources Control Board staff's unimpaired flows approach to updating the Bay-Delta Water Quality Control Plan and that the VAs hold "the promise to adaptively manage enhanced flows and habitat to improve conditions for fish and wildlife." The *Water Resilience Portfolio* is intended to provide a

blueprint to meet the water needs of California's communities, economy, and the environment through the 21st century. It includes several actions to support the VAs to meet the goal of protecting and enhancing natural ecosystems, including to "bring together regulators, tribes, water users, public water agencies, non-governmental organizations, and other stakeholders to develop innovative, voluntary solutions to water supply, water quality, and ecosystem protection" [Action 9.3], to "identify opportunities to meet legal standards in creative, collaborative ways, such as through voluntary agreements that enhance flows and habitat" [Action 13.7], and to "complete the update to the Bay-Delta Water Quality Control Plan for San Francisco Bay and the Delta, as required by law, and implement the Plan, potentially through voluntary agreements" [Action 18.2].

ACWA embraces this new path forward to support a "California for All" and the coequal goals of protecting, restoring and enhancing the Delta ecosystem and providing more reliable water supplies for California. Public water agencies are actively implementing progressive and innovative 21st century water management.

The decades old regulatory approach has not served any interests well. Species have continued to decline, and water supplies have continued to diminish. The state cannot afford to adhere to a regulatory and operational framework solely based on additional flows which will result in years of protracted litigation, while at-risk fish populations continue to decline, and California's water supply becomes less resilient to the increasing effects of climate change. Now is the time to complete the VAs to put California on a path of success for the environment, the public, farms and businesses.

Commitment of Public Water Agencies at the VAs Table

ACWA and its member agencies recognize the VAs as the superior approach to achieving the coequal goals of protecting, restoring and enhancing the Delta ecosystem and increasing water supply reliability throughout the state. ACWA's water agencies together serve water for millions of Californians, the safest and most productive agricultural economy in the world, the wildlife refuges and ricelands that serve birds and wildlife along the Pacific Flyway, salmon and many other fish, hydro-electric generation, and recreation. The public water agencies participating in the VAs stand ready to begin the implementation of the VAs, pledging to contribute hundreds of millions of dollars and an extensive series of restoration projects to enhance fish and wildlife habitat. ACWA and its members recognize that more can be accomplished for California when the state, federal and local agencies work together. The public water agencies which have been at the VAs table are eager to continue working with state and federal agencies, conservation groups, and other stakeholders in an open and transparent process to achieve the VAs and advance California on a path toward water resilience.

- **Early Implementation** - As part of the VAs, the group of public water agencies is committed to the immediate implementation of a list of "no-regrets" habitat restoration and creation projects and related flow actions. Some of these actions could begin or otherwise be implemented within the next 12 to 18 months. The VAs have the added co-benefit of immediately injecting tens of millions of dollars into the state's economy at this critical time.

- **Integrated Actions** - The group of public water agencies commit to the implementation of a broad spectrum of tools, coordinated to maximize benefits to the Delta ecosystem and native fish and wildlife species. These tools include improving targeted tributary flows and Delta outflows, restoration projects and the collection of funds from these water agencies to begin building the accounts necessary to implement the long-term program.
- **NGO Participation in the Governance Framework** - Water agencies remain committed to a collaborative decision-making approach that includes non-governmental organization participation in the governance structure.

Essential Elements of a Watershed-Wide Agreement

The VAs hold the potential to achieve meaningful solutions that comprehensively manage the Delta watershed as a whole. A Delta watershed-wide agreement should incorporate the following essential elements.

- **Watershed-Wide Coordination** - A solution must encompass a Delta watershed-wide approach with coordinated operations to efficiently and effectively protect native fish and wildlife species. The VAs would facilitate coordination of restoration, operations, and research across all participating tributaries and Delta operations to provide improved ecosystem functions across major California waterways.
- **Collaborative Approach** - Partnership among diverse stakeholders must be the cornerstone of this durable solution. The VAs would establish a 15-year framework that includes participation from state and federal agencies, public water agencies, and conservation groups to help guide funding and management actions to improve water supply and environmental conditions in the Delta. A path of continued litigation would negatively affect water reliability and ratepayers across the state, while delaying vital investments to restore and enhance the Delta ecosystem.

- **Integrated Solutions** - A Delta watershed-wide solution should provide a substantial “budget” of water for the environment, coupled with significant new habitat, an integrated science program, and adaptive management to provide a more comprehensive framework to recover fish populations, as opposed to a flows-only approach.
- **Coequal Goals** - A Delta watershed-wide solution must recognize the coequal goals of increasing water supply in California and improving the Delta ecosystem for hundreds of native fish and wildlife species.
- **Expedited Implementation** - The VAs commitment of functional flows and habitat can help fish populations recover more quickly, holistically and with fewer negative social and economic impacts than traditional regulatory requirements. As water agencies stand ready to implement a comprehensive series of ecological restoration and stewardship projects, state agencies must also work to increase permitting effectiveness, expedite project review and approval, and improve cross-jurisdictional collaboration.
- **Governance** - Consistent with the VAs, a structured decision-making process that informs the implementation of flow and non-flow measures to achieve outcomes should be



the foundation of any solution. This process should be collaborative and informed by a robust science program. To the extent possible, the governance structure should coordinate with and be implemented through any existing management structures in the Delta tributaries.

- **Science and Adaptive Management** - A Delta watershed-wide agreement should include the development of a sound, shared, modern science program that explores all assets available to manage the Delta and monitors and evaluates their success in achieving the biological and environmental outcomes. This will serve as the basis for adaptive management decision-making. The VAs would establish both a Science Program and Independent Science Advisory Team to address uncertainties in current science using testable hypotheses to refine management solutions over time.
- **Funding Portfolio** - A Delta watershed-wide agreement should pool resources from a variety of sources for a large sustained investment for fish and wildlife funding, habitat restoration projects and science programs. Under the VAs approach, the total estimated contributions from the group of water agencies to a Water Revolving Fund are projected to be \$1 billion.



Voluntary Agreements

Adapting Water Management for Thriving Fish, Wildlife and Communities

The Northern California Water Association (NCWA) and its members work collaboratively to deliver vital water supply and water quality for millions of Sacramento Valley residents, farms and businesses, while at the same time stewarding ecosystems to benefit endangered species. California water suppliers, farmers, cities, conservation organizations and state and federal agencies have developed an innovative approach to restore the ecosystem of the Bay-Delta watershed by balancing environmental and water supply needs through an unprecedented and promising initiative called Voluntary Agreements.

Simply providing vast flows through the Delta for the past decades has proven ineffective and futile. A different approach is necessary. Best ecological practices have shown land for habitat carefully integrated with water is critical to restore fish and other endangered species and are front and center of the Voluntary Agreements. Voluntary Agreements provide a robust and science-based portfolio of funding, strategically managed flows, habitat enhancements, floodplain utilization and close collaboration amongst stakeholders. Participants of Voluntary Agreements are already at work with early implementation projects, making habitat enhancements and activating floodplain acreage to benefit fish and wildlife in each of the region's four rivers.

Adaptively Managed Flows

Based on annual hydrology and science-based evaluations, this contemporary approach will improve habitat conditions for salmon, steelhead and hundreds of other wildlife species.

► *Water suppliers on the American, Feather, Sacramento and Yuba rivers will deliver up to 250,000 acre-feet of water for tributary flows and the Delta*

Floodplain Reactivation

Dedicated water for out-of-stream floodplain reactivation will support recovery of endangered species by producing needed food resources and suitable habitat acreage for fish and wildlife.

► *Nearly 180,000 acres of enhanced floodplain habitat identified in the Sacramento River Basin for salmon rearing, spawning and fish food production*

Habitat Enhancements

Science-driven habitat enhancement projects with expedited permitting will nurture endangered salmon and other species throughout their lifecycles and support water-dependent species along the Pacific Flyway, including ducks, geese and shorebirds.

► *More than 85 projects identified by Sacramento River Basin water suppliers*

Committed Funding

At least \$5 billion over fifteen years contributed by water suppliers across the state, state bond funds and the federal government.



Core Values of Voluntary Agreements



Collaboration and regional governance for effective decision making

- California Natural Resources Agency
- Federal, state and local agencies
- Conservation organizations



Robust and Structured Science Program to guide flows and habitat cultivation

- Field studies and data reviews
- Testable hypotheses
- Informed decision making



Integration of rivers operations

- Communication and resource sharing maximize support for fish and wildlife
- Reliable supply for cities, rural communities and farms

California must get past differences on water. Voluntary agreements are the path forward.

Governor Gavin Newsom
CalMatters, Feb 4, 2020

To learn more, visit
VoluntaryAgreements.org




voluntary agreements
A fresh approach to California's water

Voluntary agreements

Introducing a better solution for native fish.

Water, Land & Sunlight: A Bountiful Life

The combination of water, land and sunlight has proven throughout time to be the equation for proper life support and healthy population numbers for all species. California's valley floor is a perfect testament to what is possible when all three work in harmony.

Our fish populations are in trouble

Fish populations (Chinook salmon, Delta Smelt) in California are on the decline and falling to historic lows.

Efforts to reverse the troubling trend by dedicating more water within the river channels has proven futile in many cases - leaving state and federal water managers to seek a variety of solutions.

One proposal involves flushing more water (1-million-acre-feet or the size of Folsom Lake) down the river channels into the Delta, but there is a better way. This alternative approach provides a new, innovative pathway for scientists, conservationists, farmers and water districts to work together.

Trending downward

Today's dwindling numbers

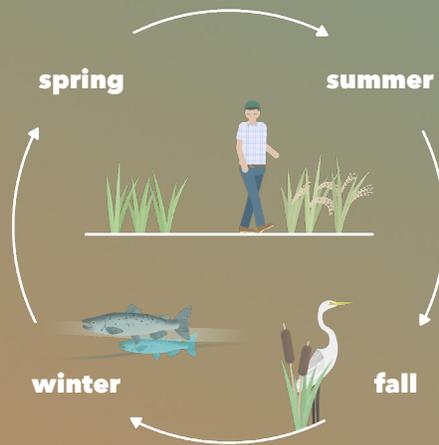


The New Way Forward A global model

The Sacramento River Basin is participating in a new collaboration featuring science-based programs balancing human and wildlife needs while setting the course for 15 years of collaboration and commitment by local, regional, state and federal agencies. This is possible **only** through voluntary agreements, and offers a variety of benefits:

-  Positively impacts entire lifecycle of native fish from spawning grounds to San Francisco Bay
-  Safe, bountiful habitat for waterfowl and shorebirds
-  Produces billions of water bugs to feed endangered fish
-  Adds water to key points along the entire river system
-  Recharges groundwater supplies
-  Improves timely flow and temperature schedules to benefit fish and wildlife
-  Enhances reservoir storage for critical times

Voluntary agreements ensure farm fields with current water allocations are used to benefit people, birds and fish year round.



Same water. Better results.



A proven approach

Successes in the Sacramento Valley



A few decades ago, only a few hundred fish returned to Butte Creek to spawn each year. Today, that number has jumped to more than 10,000. The reason? Butte Creek water has been combined with land and sun to provide a safe and bountiful place for fish to thrive.

By flooding farm fields and historic wetlands with just a few inches of water, a safe haven for wild birds was created. Today, hundreds of thousands of waterfowl return to Northern California as part of the Pacific Flyway, the environmental success story of our generation.

