



United States Department of the Interior

BUREAU OF RECLAMATION
Mid-Pacific Regional Office
2800 Cottage Way
Sacramento, CA 95825-1898

IN REPLY REFER TO:

BDO-103
ENV-7.00

APR 13 2016

Ms. Carolee Krieger
Executive Director
California Water Impact Network
808 Romero Canyon Road
Santa Barbara, CA 93108

Subject: California WaterFix

Dear Ms. Krieger:

I am responding to your letter of January 25, 2016, regarding funding agreements with the California Department of Water Resources (DWR) for the planning and design of the Delta Habitat Conservation and Conveyance Program (DHCCP), Bay Delta Conservation Plan (BDCCP) and the California WaterFix.

Embedded within your letter are seven primary questions. Below are responses to your questions.

1. Of the \$73,733,099 of federal dollars granted to DWR for the Delta Tunnels Plan through FAA #1 and #2:

- a) How much of the money actually was paid by the federal CVP contractors?

The Federal CVP contractors contributed \$0. The funding source was Federal appropriations.

- b) How much was paid specifically by Westlands Water District?

Westlands Water District paid \$0. The funding source was Federal appropriations.

- c) Of the federal dollars granted to fund the plan how much has resulted from a "redirection" of federal appropriations? If so, how much and when, and which appropriation bills provided the funding?

Federal appropriations in the amount of \$50,058,250 were made available from various line items in the annual appropriations between the years 2009-2015. The appropriations were used for the development of the joint Environmental Impact Report/Environmental Impact Statement (EIR/EIS) for the Bay Delta Conservation Plan,

now referred to as the California WaterFix. Yearly breakdown and corresponding appropriations are provided below:

<i>Year</i>	<i>Amount</i>	<i>Appropriations Act</i>
2009	\$3,153,000	P.L. 111-8
2010	\$8,271,000	P.L. 111-85
2011	\$4,103,000	P.L. 112-10
2012	\$6,986,000	P.L. 112-74
2013	\$8,104,000	P.L. 113-6
2014	\$8,374,000	P.L. 113-76
2015	\$11,067,250	P.L. 113-235
<i>Total</i>	<i>\$50,058,250</i>	

- d) How much of the federal funds granted to fund the plan was appropriated by Congress for Fish and Wildlife Coordination Act (FWCA) activities? If so, has DWR estimated the wildlife benefits or losses, including enhancement benefits, from the CWF and/or BDCP_DHCCP? See FWCA Sections 2(b) and 2(f).

No Federal funds appropriated by Congress for specific FWCA activities were used to fund planning of BDCP or California WaterFix. The FWCA is not a line item requesting funding in the budget, but an “authority” to perform certain activities in the budget. An economic analysis is being prepared for the Final EIR/EIS.

Relative to the question on wildlife benefits or losses, please refer to the Fish and Aquatic Resources chapter provided in the Public Draft EIR/EIS and the Recirculated Draft Environmental Impact Report/Supplemental Draft Environmental Impact Statement (RDEIR/SDEIS), as well as the effects analysis prepared for the working draft of the Biological Assessment (BA). These documents may be found at the following websites:

- *Public Draft EIR/EIS:*
<http://baydeltaconservationplan.com/EnvironmentalReview/EnvironmentalReview/2013-2014PublicReview/2013PublicReviewDraftEIR-EIS.aspx>
- *RDEIR/SDEIS:*
http://baydeltaconservationplan.com/2015PublicReview/PublicReviewRDEIRSDEIS/PublicReviewRDEIRSDEIS_Links.aspx
- *Working Draft BA:*
https://s3.amazonaws.com/californiawater/pdfs/aozyy_FIX_BA_TOC.pdf

- e) Are the funds granted to plan reimbursable costs that will be paid for by the CVP water project contractors? How much is categorized as non-reimbursable and is therefore to be paid by the federal taxpayers?

All funding to date is a non-reimbursable expenditure. The Bureau of Reclamation is having ongoing discussions with CVP water contractors on the possibility of a cost recovery plan should new conveyance facilities be constructed and should Reclamation engage in an agreement with the State of California to convey CVP water in the new conveyance facilities.

- f) How much of the federal funds granted to the plan was appropriated pursuant to the CalFed Bay-Delta Restoration appropriations? Please provide the years and amounts.

For the period of 2009-2012, \$12,850,000 was provided from the CalFed Bay-Delta Restoration appropriations as follows:

<i>Year</i>	<i>Amount</i>
<i>2009</i>	<i>\$3,500,000</i>
<i>2010</i>	<i>\$4,800,000</i>
<i>2011</i>	<i>\$4,400,000</i>
<i>2012</i>	<i>\$150,000</i>
<i>Total</i>	<i>\$12,850,000</i>

2. FAA #1 established a deliverable: “Reclamation will, upon completion of the Program, have the documentation and engineering information to gain Congressional approval to move toward feasibility, design, and implementation of restoration projects to benefits fish and wildlife habitat.” [Emphasis added Cooperative Agreement 09FC200011 Page 3 of 32]. Does Reclamation anticipate submitting the documentation and feasibility report to Congress for the Delta Tunnels plan? If not, why not?

Until early 2015, planning for the BDCP had solely been focused on development of a Habitat Conservation Plan (HCP) under the Federal Endangered Species Act and Natural Community Conservation Plan (NCCP) under the State of California’s Natural Community Conservation Planning Act. The RDEIR/SDEIS was released in July 2015 and included new alternatives that did not have a HCP/NCCP component and were more focused on new conveyance operations. With the release of the RDEIR/SDEIS, the State of California announced the proposal to separate the conveyance facility and habitat restoration into two separate efforts: California WaterFix and California EcoRestore, which is now a separate program led by the State. Due to the State separating the BDCP into two programs and due to the fact that Reclamation does not have construction authority for the new conveyance facilities, Reclamation does not anticipate formally submitting a feasibility report to Congress.

3. WWD reports in 2015 that 5 CVP contractors, including WWD, have paid a total of \$48,314,222 in advance operation and maintenance funds as of 2015, with WWD paying \$36,818,527.

Reclamation records show that the total amount contributed for advance CVP operation and maintenance for fiscal years (FYs) 2009-2015 is \$49,296,029, and of this amount WWD

payments have totaled \$36,818,527.10. These are cumulative dollars for the entire period (7 years), not just for FY 2015. For the period FY 2009-2010, five contractors participated in the advance funding of CVP operation and maintenance. For the period FY 2011-2015, only four contractors participated.

- a) How much of this funding has been credited to existing CVP operation and maintenance costs and expenses?

Of the approximately \$36.8 million that WWD has advance paid through FY 2015, they have received a credit for approximately \$29.8 million toward their allocation of annual operation and maintenance expense through FY 2014. Full financial statement information for FY 2015 is not yet available; therefore, the credit for FY 2015 is unknown at this time.

- b) How much of this funding has been credited to existing capital water contract costs?

By "capital" costs, we are assuming that you mean construction repayment. The funding that Reclamation received was advanced for CVP operation and maintenance purposes—not construction repayment; therefore, none of the funds were applied toward existing construction repayment costs.

- c) Has WWD been credited their full \$36,808,527 to their existing CVP water costs or existing operation and maintenance costs?

No, WWD has not been credited their full \$36,818,527 as of this date. There is approximately \$7 million remaining to be credited toward WWD operation and maintenance obligation in FY 2015 (which has not yet been determined) and FY 2016 (if there is any remaining credit to carryover from FY 2015).

4. How much "in-kind" costs has Reclamation incurred on the DHCCP-BDCP-CWF plan in addition to the federal grants and assistance?

Through February 2016, Reclamation has incurred \$13,201,379 "in-kind" costs.

5. How much funding for the DHCCP-BDCP-CWF has been appropriated to fund the Delta Tunnels Plan using the California Bay-Delta Restoration P.L. 108-361? If any, could you please provide the amounts for each fiscal year from FY 2009 to FY 2016?

<i>FY</i>	<i>Amount</i>
<i>FY 2009</i>	<i>\$1,500,000</i>
<i>FY 2010</i>	<i>\$7,500,000</i>
<i>FY 2011</i>	<i>\$6,483,000</i>
<i>FY 2012</i>	<i>\$7,000,000</i>
<i>FY 2013</i>	<i>\$5,686,000</i>
<i>FY 2014</i>	<i>\$3,500,000</i>

<i>FY 2015</i>	<i>\$4,000,000</i>
<i>FY 2016</i>	<i>\$4,000,000</i>
<i>Total</i>	<i>\$39,669,000</i>

6. Planning, design and engineering for the Delta Tunnels Plan has more than doubled since its inception, and now exceeds \$250 million dollars. DWR has indicated that more than \$1 billion dollars in additional funding is needed to keep the planning and design process going. Does Reclamation anticipate using the same agreements to fund this next, and much larger, installment for the federal 50% share?

Reclamation is unclear as to the source of the \$1 billion estimate for additional planning and design efforts.

These agreements were used for the development of the EIR/EIS. Reclamation does not anticipate using the same agreements to fund design and engineering for California WaterFix.

7. The construction costs of the proposed project have been estimated in excess of \$20 billion dollars, with operation, maintenance, interest and additional costs approaching more than \$60 billion dollars. Does Reclamation anticipate the use of similar agreements to fund the construction of this project should it be approved?

Reclamation is unclear as to the source of the estimated costs shown in the question.

State and Federal water contractors that are participating in the development of California WaterFix are anticipated to fund construction and construction-related mitigation costs related to California WaterFix. Currently, there are no plans for Reclamation to fund the construction of California WaterFix, nor provide financial assistance agreements to provide funding for construction.

Should you have further questions after your review of our responses, please feel free to contact Ms. Michelle Banonis at 916-414-2401 or via email at mabanonis@usbr.gov. Reclamation looks forward to continuing to work with stakeholders on the development of California WaterFix.

Sincerely,



David G. Murillo
Regional Director

Identical letter sent to persons on next page.

Identical Letter Sent To:

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