July 29, 2014

Ryan Wulff, NMFS
650 Capitol Mall, Suite 5-100
Sacramento, CA 95814

Re: Draft Bay-Delta Conservation Plan and Draft EIR/EIS

Dear Mr. Wulff:

The Delta Vision Foundation provides the following comments on the Bay-Delta Conservation Plan, Draft Implementing Agreement, and Draft EIR/EIS. The DVF summary comments are provided below and incorporate by reference the attached March 27, 2013 comment letter to Secretary Laird.

The extensive effort undertaken on behalf of the water contractor project proponents to generate these lengthy documents must be acknowledged. However, the responsible State and Federal permitting agencies cannot ignore, and must address in some way, the thousands of comments that note that decisions regarding BDCP must meet several tests as permits are considered. First, the project must be fully consistent with the requirements for a NCCP, particularly in achieving restoration of communities of species. Second, the project must address and be consistent with the requirements of other federal and state policies, contracts, and court decisions, many of which were identified by federal and state agencies in comments on the BDCP Administrative Draft. Third, the project must consider and be consistent with the Delta Reform Act of 2009, including the Two Co-Equal Goals, but also other policies and objectives, including reduced reliance on the Delta for water.

Water conveyance facilities and Delta habitat restoration are inseparably linked to actions and operations throughout the Delta watershed and the service areas for the State Water Project and Central Valley Project but the BDCP project does not effectively engage and address these linkages.

The 2009 Delta Reform Act and subsequent federal legislation established the Two Co-Equal Goals of ecosystem restoration and water supply reliability as state and federal policy for the Delta, based on the findings of the Delta Vision Blue Ribbon Task Force. The Two Co-Equal Goals are inextricably linked in addressing the conflicts and challenges in the Delta. The BDCP applicants and proponents have appropriately acknowledged the Two Co-Equal Goals, however, as described below, the Draft Bay-Delta Conservation Plan does not delineate or implement the principles and mechanisms of linked, integrated actions between ecosystem restoration and water supply reliability in the alternatives evaluation, governance, implementation, or adaptive management. As a result, there is no assurance or confidence that either goal will be achieved.
Alternatives Evaluation and Decision-making

The alternatives analysis in BDCP fails to consider critical related actions and their impact on project decision-making. Water storage above and below the Delta, Delta levee improvements, and regional water management and efficiency are three examples of related actions that affect both water supply reliability and ecosystem restoration and achievement of BDCP goals. DVF appreciates the appropriate limitations and constraints of the scope of the environmental review process in that it cannot consider all potential actions in the Delta watershed and water delivery system. However, the range of potential actions in each of these three areas influence the comparative impacts and benefits of alternative facility sizes and operating rules. For example, additional water storage would provide flexibility in Delta and tributary water management for ecosystem flows and water deliveries. In addition, the Delta Independent Science Board noted the following regarding Delta levees in its May 2014 review of the Draft BDCP and Draft EIR/EIS:

“...although levees receive considerable attention in both documents (as befits their importance to what goes on in the Delta), the coverage is disconnected and incomplete. In particular, neither the consequences of levee failures on the effectiveness of BDCP actions nor the financial implications of demands for levee maintenance receives adequate attention.”

At a minimum, the BDCP should conduct sidebar analyses of conveyance alternatives with varying assumptions about additional water storage, strategic levee investments in through-Delta conveyance, and regional water management and water use efficiency in SWP and CVP service areas to identify which conveyance approaches offer the greatest likelihood of meeting ecosystem restoration and water supply reliability in future conditions.

Furthermore, the analysis of BDCP alternatives is conducted using simple binary comparisons, often based on professional judgment. For example, the evaluation of Alternative D (3,000 cfs tunnel, reduced tidal habitat) concludes that this alternative is inconsistent with restoration goals without considering the scientific uncertainty of benefits associated with tidal habitat. Likewise, the evaluation of Alternative F (Through-Delta Conveyance) concludes that the alternative is not consistent with plan goals because it would not protect against seismic and flood risk, without considering that net benefits are more than $2 billion greater than the proposed action and the cost is more than $8 billion less than the proposed action, money that could easily be invested in further levee improvements along the conveyance corridor. None of the alternatives consider the political practicability of conveyance alternatives.

These issues and examples are provided here not to suggest a particular alternative, but rather to highlight that the alternatives analysis is oversimplified and one dimensional. Without effectively considering costs and uncertainties, project investors (water contractors, the State and Federal governments, and ultimately ratepayers and taxpayers) cannot make fully informed decisions about the best option. Regardless of whether this revised analysis occurs within the legal requirements of habitat conservation planning and environmental review or in parallel with it, the analysis must be completed to ensure robust decision-making and sound investment of public and ratepayer funds.

Governance

The 2009 Delta Reform Act was passed to provide a more organized governance structure for addressing the complexities in the Delta and overlapping jurisdictions through coordinated science and

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governance. The Act specifically addressed the role and relationship of BDCP to future Delta
governance by requiring that BDCP be incorporated into the Delta Plan if it receives approval as a
Natural Communities Conservation Plan by the Department of Fish and Wildlife and as a Habitat
Conservation Plan under the federal Endangers Species Act. The following two sections of the Delta
Reform Act address governance of the BDCP once it is incorporated into the Delta Plan.

85204. The council shall establish and oversee a committee of agencies responsible for
implementing the Delta Plan. Each agency shall coordinate its actions pursuant to the Delta
Plan with the council and the other relevant agencies.

85320 (g) The council may make recommendations to BDCP implementing agencies regarding
the implementation of the BDCP. BDCP implementing agencies shall consult with the council
on these recommendations. These recommendations shall not change the terms and
conditions of the permits issued by state and federal regulatory agencies.

The proposed governance structure for implementing BDCP appears to be designed consistent with the
“arms-length” role of the Delta Stewardship Council described in Section 85320 (g) without considering
the more fundamental coordination requirements for implementing the Delta Plan in Section 85204.
That is, the governance and implementation structure for BDCP is not sufficiently integrated and
aligned with the legislative and policy framework for Delta science and decision-making. For example,
if the BDCP is incorporated into the Delta Plan, proposed covered actions would have to be consistent
with BDCP as required by the Delta Reform Act. Section 6.4.4 of the BDCP provides only general
discussion of potential future actions and consistency with BDCP and speculative description of the
role of the Implementing Office. This section should be expanded and clarified to explicitly describe
the consistency determination process for the Delta Plan and other consistency evaluations that may
be required for future projects such that reviewers and decision-makers can fully understand the
future relationship of BDCP to potential projects and regulatory changes.

Implementation and Rough Proportionality

Chapter 6, Plan Implementation, does not provide the necessary evidence or assurance that
conservation measures will be implemented in rough proportionality to the impacts of the covered
actions. The BDCP is based largely on the premise that habitat restoration for aquatic species can
offset impacts of water diversions by increasing healthy populations of fish species. While there is
great uncertainty in that premise, the BDCP further separates that critical linkage to the point that
there can be no assurance of rough proportionality other than the optimistic words in Chapter 6.

- The EIR/EIS for the BDCP conducts a project-specific review of water conveyance facilities and a
  programmatic review of other conservation measures. Therefore, subsequent project-specific
  environmental reviews are necessary for dozens, if not hundreds, of restoration projects and
  actions, each of which could take from three to five years to complete.
- Each of the dozens of projects likely has unique locational conditions, complex habitat design
  requirements, and individual permitting requirements. The implementation strategy does not
  outline any mechanisms for coordinating, standardizing, or streamlining design, permitting, and
  construction activities to assure prompt implementation.
- The BDCP proposes a new program implementation office to coordinate implementation of habitat
  restoration. The implementing office has no historical institutional capacity for implementing
  projects, no contracting capability, and appears understaffed to manage hundreds of
  environmental reviews, land acquisition/easement issues, design of complex habitat restoration,
  permitting, landowner relations, and construction. In contrast, the conveyance facilities
implementation will be managed by organization(s) that have experience designing and constructing what are reasonably routine facilities, albeit larger than typical.

- Funding sources for covered actions have essentially been separated from funding sources for other conservation measures. That is, the project proponents intend to commit funds for completing Delta conveyance facilities within BDCP. Funding for other conservation measures is described as an uncertain combination of state bond funds and federal funding.

- The timing of results and benefits further exacerbates the proportionality disconnect. The water supply benefits of the covered actions accrue immediately on completion of construction and initiation of operations. The benefits of habitat restoration only begin to accrue on completion of construction; full benefits develop over time following construction.

While it may be desirable for the water management agencies and contractors to assure control and progress on Conservation Measure 1, the BDCP cannot and will not be successful without closer linkage between ecosystem restoration and water supply reliability at all levels, including environmental compliance, design and permitting streamlining, effective implementing institutions, funding sources, and achieving benefits.

**Adaptive Management**

A robust adaptive management program is critical for managing BDCP implementation and achieving program goals. The BDCP does not yet define a substantive, effective adaptive management program to ensure success.

- BDCP relies too heavily on adaptive management as the solution or panacea for all program uncertainties, apparently driven by the urgency to reach a decision. Instead, BDCP should articulate each of the areas of uncertainty and assess where adaptive management is an appropriate tool to address the uncertainty, and develop alternate means to address uncertainties where adaptive management is not the correct approach before reaching conclusions about permit adequacy and providing assurances regarding water supply reliability. The Independent Science Board notes: “Details of how adaptive management will be implemented are left to a future management team without explicit prior consideration of (a) situations where adaptive management may be inappropriate or impossible to use, (b) contingency plans in case things do not work as planned, or (c) specific thresholds for action.”

- The proposed funding for adaptive management is woefully inadequate to complete the necessary research, monitoring, synthesis, independent review, and action planning. BDCP should develop a secure, realistic, independent funding plan for monitoring and adaptive management.

- The institutional structures and funding for program adaptation and decision-making are inadequate. The most common failure of adaptive management programs is the failure to change the program when the science indicates change is needed. Institutional inertia, permittee or stakeholder opposition, decision costs, and complexity contribute to the inability to adapt. BDCP does nothing to address these challenges. The convoluted collaborative discussion process to change the program is cumbersome and inappropriate in a regulatory context. Regulatory decisions are appropriately placed in the hands of regulatory bodies, with review and comment by the regulated entities and the public. The Independent Science Board noted this challenge in its review: “...it is unclear how adaptive management will be integrated into the implementation of BDCP, whether the scientific skills needed to plan and oversee adaptive management will exist in

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the Implementation Office and on the Adaptive Management Team, and whether the capacity to conduct the monitoring and analysis needed for adaptive management will be available. Because conditions in the Delta and responses to BDCP actions may change quickly, the adaptive-management process must be nimble and flexible, yet the organizational structure may delay rather than expedite needed adjustments.\[^{3}\] The decision structure for permit adaptation should be revised to reflect the appropriate governance authorities and necessary decision-making clarity. In addition, funding sources and commitments must be established for analysis, environmental review, and other actions necessary to implement program changes.

- The BDCP fails to establish the necessary linkages between conservation measures and performance outcomes to determine if and when program adaptation is needed. The Independent Science Board noted the lack of “trigger points” to determine if adaptive management is needed.\[^{4}\] These success criteria or “trigger points” should be established in advance for measuring effectiveness of both habitat restoration and water management actions.

**Linkages and Commitments**

At all levels of planning and analysis, the Draft BDCP and Draft EIR/EIS fail to establish the necessary linkages and commitments to ensure successful implementation and achievement of the program goals. The fundamental linkage between water management and ecosystem restoration is not sufficiently established—ineffective implementation or inadequate results from habitat restoration must be linked to water operations. That is, linkages must be in place to ensure accountability of all regulated entities for implementation and results for the entire permit. Linkage problems occur in the following areas, among others:

- Funding for water management actions (Conservation Measure 1) is separate and more reliable than funding for other conservation measures.
- Institutional structures for implementing Conservation Measure 1 are more focused, experienced, and reliable than the proposed structures for implementing restoration actions.
- Implementation and success of habitat restoration is not linked to water supply diversion amounts and timing.
- Adaptive management structures and funding are biased against adaptation and change in permit requirements or implementation actions, particularly related to water supply reliability assurances.
- BDCP alternatives are not evaluated with full consideration of linkages to potential future conditions, including additional water storage, strategic levee investments or potential failures, and regional water management and efficiency.

Without effective legal requirements and conditions to enforce linkages between water supply reliability and ecosystem restoration, BDCP implementation will only continue the ineffective management strategies of the past 40 years and undermine State and Federal policy to achieve the Two Co-Equal Goals.

**Public Transparency and Accountability**

The BDCP documents and planning process undermine the fundamental principles of public transparency and informed decision-making. The sheer volume of documents for public review is


inconsistent with State and Federal environmental review guidelines, frustrating the public’s ability to understand the action and implication of government decisions and essentially prohibiting any decision-maker from making an informed decision regarding environmental consequences. There will undoubtedly be hundreds of comments on the adequacy of the alternatives evaluated. However, separate from the adequacy of the alternatives themselves, the dispersion of the alternatives analysis throughout thousands of pages, the over-simplified conclusions about tradeoffs (noted above), and the incomplete consideration of uncertainty each frustrate the ability of any decision-maker to determine if the preferred action is indeed the optimized approach for meeting the project purposes.

In addition, the public and agency review process leading to the draft documents has been entirely inadequate to address and resolve critical issues for the Delta and BDCP. Fundamental issues, such as where and how habitat restoration will be effective to achieve BDCP goals, how additional flows will be provided for fish habitat improvement, how storage and regional water efficiency contribute to BDCP goals, how seismic resiliency in the Delta should be addressed, and how and where land and water quality impacts will be mitigated, are poorly articulated and only partially addressed. Hundreds of timely, substantive comments from stakeholders, State and Federal agencies, and independent review panels remain unaddressed and deferred to the final documents. Public meetings and work groups were simply listening sessions with little thought to constructive discussion of critical issues. Thorough consideration and responsiveness to the substantive comments on the flaws in planning, analysis, and compliance is urgently needed. Unfortunately, it is difficult to imagine how the necessary changes to address the flaws would not further delay decisions and action.

Conclusions

The Draft BDCP and Draft EIR/EIS continue to present a proposal that establishes primacy for water management facilities and operations to address water supply reliability without effective requirements, institutional structures, and funding sources to ensure ecosystem restoration and recovery. Further, the State and Federal Governments have failed to advance a reliable, linked plan to ensure that statewide water management actions, including storage, strategic levee investments, and regional water management and efficiency, are implemented concurrently. Without such a plan and commitments, California’s water management system will not provide the management flexibility to reduce conflicts in the Delta, provide flows and water quality at critical times for fish, and address the effects of climate change.

The Delta Vision Foundation continues to support action to address Delta water conveyance and ecosystem restoration in a comprehensive manner that is financially, technically, and politically feasible. The integrated actions described in the Delta Vision Strategic Plan—water storage, strategic levee investments, ecosystem restoration and management, dual conveyance, and regional water management and efficiency—remain the only reliable means to achieve the Two Co-Equal Goals. Implementing conveyance improvements and substantial habitat restoration as part of BDCP is critically important and should move forward promptly. However, BDCP cannot and should not proceed without legal requirements and commitments to assure implementation of the other elements of a workable solution. As currently proposed, the BDCP is not fully evaluated and does not provide sufficient internal or external linkage and assurance for effective implementation of both ecosystem and water supply reliability actions.
The Delta Vision Foundation stands ready to assist the State Administration, Federal agencies, water contractors, and other stakeholders in developing the necessary analysis, linkages, and commitments to assure a workable, durable solution. We look forward to working with you on these issues as BDCP advances. Please contact Charles Gardiner if you have any questions or additional needs.

Sincerely,

Sunne Wright McPeak
President, Delta Vision Foundation
Former Secretary, California Business, Transportation, and Housing Agency

Linda Adams
Former Secretary, California Environmental Protection Agency

Mike Chrisman
Former Secretary, California Natural Resources Agency

A.G. Kawamura
Former Secretary, California Department of Food and Agriculture

John Kirlin
Former Executive Director, Delta Vision

Michael Madigan
Former Chairman of the California Water Commission and the Bay-Delta Advisory Council

Thomas McKernan
CEO, Automobile Club of Southern California

William K. Reilly
Former Administrator, U.S. Environmental Protection Agency

Raymond Seed
Professor of Civil and Environmental Engineering, University of California, Berkeley

Charles L. Gardiner
Executive Director

Attachment: March 27, 2013 Letter to Secretary Laird
March 27, 2013

Secretary John Laird  
California Natural Resources Agency  
1416 Ninth Street, Suite 1311  
Sacramento, California 95814

Re: “BDCP Plus” is Needed to Accomplish Two Co-Equal Goals

Dear Secretary Laird:

Congratulations on beginning the release of the Administrative Draft Bay-Delta Conservation Plan (BDCP). The Administrative Draft is a significant accomplishment for the Natural Resources Agency and its departments and it provides a comprehensive scientific basis for development of an overall Delta solution. The Delta Vision Foundation (DVF) preliminary review of the initial chapters finds that it is advancing important elements of a plan to address the challenges in the Delta. However, it falls short of the linked-actions approach set forth in the Delta Vision Strategic Plan and is insufficient to achieve the Two Co-Equal Goals: it does not include essential facilities to capture water when it is truly surplus to the environment to provide water supply reliability while leaving enough water for fish at critical times to restore the Delta ecosystem. A workable solution, referred to by DVF as “BDCP Plus” and described in the 2012 Delta Vision Report Card, can be accomplished by establishing legal commitments and assurances for the other vital elements of the “Delta fix” without delaying implementation of BDCP. The Administration must move expeditiously to embrace a “BDCP Plus” strategy or risk increasing dissipation of stakeholder consensus for BCDP.

It is worth noting that several environmental and business organizations proposed in January a “Portfolio-Based Conceptual Alternative” to BDCP that includes conveyance, storage, water use efficiency, alternate regional water supplies, improved regional water systems integration, habitat restoration, independent science, and most importantly, an operational strategy for Delta exports and ecosystem restoration. These additional components are generally acknowledged as critical to achieving the Two Co-Equal Goals. Although the Portfolio Alternative lacks critical near-term actions for a Strategic Levee System and Improved Through-Delta Conveyance and proposes an isolated conveyance facility that is likely too small to optimize beneficial uses, its significant group of proponents have underscored the wisdom of linked actions and have signaled serious problems for a BDCP-only solution.

The Delta Vision Foundation urges the Governor’s Administration, the Legislature, and stakeholders to develop legal commitments that will assure implementation of the linked integrated actions for a workable Delta solution. The Natural Resources Agency and the Delta Stewardship Council should collaboratively lead this effort, beginning immediately.
The Delta Vision Foundation is concerned that the Governor’s Administration continues to focus solely on conveyance and habitat restoration in BDCP without sufficient attention on the linked and integrated actions outlined in the *Delta Vision Strategic Plan* that are supported by the scientific evidence to ‘fix’ the Delta: fish need more water at the right time of the right temperature than conveyance alone will provide; and, unless both fish and farms are going to continue to suffer shortages in most years, then additional facilities are needed to capture water when it is truly surplus to the environment. For the Administration and some stakeholders to consider isolated conveyance as the equivalent to the “Delta fix” is to betray the scientific facts that fish need more water in most years. While BDCP was not initiated or developed as the comprehensive solution for water resource management, it has been held out as the “Delta fix” and, thus, its limited scope ignores both science and politics. BDCP cannot enjoy the broad support necessary for implementation without clear, concise linkages and commitments to the other actions and facilities that comprise a comprehensive Delta solution. That is, BDCP must be linked to facilities and investments to implement the big gulp-little sip strategy (storage, alternate supplies, and water use efficiency) and to protect and enhance Through-Delta Conveyance. Attachment A includes a summary of the critical linked components.

The Portfolio Alternative proposes the core concept of linked actions to identify efficient, effective means for accomplishing the Two Co-Equal Goals while protecting and enhancing the Delta as an evolving place. However, the conveyance facilities in the Portfolio Alternative are likely too small to effectively accomplish three important objectives: (1) minimize fish degradation; (2) divert more water in wet years and less in dry years; and (3) provide long-term security against seismic and flood catastrophes. It is interesting to note that the CALFED Bay-Delta Advisory Committee recommended a 5,000 cubic feet per second isolated conveyance facility combined with Improved Through-Delta Conveyance and storage north and south of the Delta.

Taken together, BDCP and the Portfolio Alternative present an opportunity to craft actions and commitments necessary to ensure immediate and long-term progress. Implementing conveyance improvements and substantial habitat restoration as part of BDCP is critically important and should move forward promptly. However, BDCP cannot and should not proceed without legal requirements and commitments to assure implementation of the other elements of “BDCP Plus” as a workable solution. The opportunity is now.

The Delta Vision Foundation recommends that the Natural Resources Agency and Delta Stewardship Council immediately begin discussions with stakeholders to develop specific policy, legal, and financial linkages through agreements, mitigation requirements, bond covenants, permit requirements, contract terms, and other mechanisms. Further, the two agencies should describe, and quantify where possible, the economic, cost, water supply reliability, ecosystem, and risk reduction benefits of the integrated, linked actions. The Governor and Legislature should validate this approach and direct the necessary resources to assure progress this year.

These actions will reinforce the critical concept of linked, integrated actions to address Delta conflicts and achieve the Two Co-Equal Goals. The “BDCP Plus” concept can be the framework for a broadly supported Delta solution. Stakeholders are finding common ground on the major elements of a true “Delta fix.” It is important to capitalize on this opportunity.
The Delta Vision Foundation stands ready to assist the Natural Resources Agency, Delta Stewardship Council, and others in developing these linkages to assure a workable, durable solution. We look forward to working with you on these issues as BDCP advances and the Delta Plan is adopted. Please contact Charles Gardiner if you have any questions or additional needs.

Sincerely,

Sunne Wright McPeak  
President, Delta Vision Foundation  
Former Secretary, California Business, Transportation, and Housing Agency

Linda Adams  
Former Secretary, California Environmental Protection Agency

Mike Chrisman  
Former Secretary, California Natural Resources Agency

Richard M. Frank  
Former Chief Deputy Attorney General for Legal Affairs, California Department of Justice

Thomas McKernan  
CEO, Automobile Club of Southern California

Cc: Phil Isenberg, Chair, and Councilmembers, Delta Stewardship Council  
Secretary Ken Salazar, Department of the Interior  
Secretary Rebecca Blank (Acting), Department of Commerce  
Commissioner Michael Connor, Bureau of Reclamation
Attachment A

The following are the core elements of a workable Delta solution as outlined in the Delta Vision Strategic Plan and embodied in “BDCP Plus:”

**Delta Operations.** The Bay-Delta system must be operated to achieve the Two Co-Equal Goals by diverting more water in wet years and less in dry years (the big gulp-little sip strategy outlined in the Portfolio Alternative). Water is the most important part of fish habitat. However, current operations divert more water in dry years than in wet years. Water use for families, farms, and factories should rely on water that is surplus to the ecosystem needs in wet years. Delta operations must link diversion constraints in dry years with diversion opportunities in wet years.

**Conveyance and Storage.** The Delta system must be rebuilt with facilities that support and enable the big gulp-little sip strategy and optimize facilities investments. Surface and groundwater storage upstream and downstream of the Delta must be expanded. Conveyance capacity through and around the Delta must be sufficient to move water in wet years, yet have constraints in dry years. Linked storage and conveyance will outperform independent strategies in achieving the Two Co-Equal Goals cost-effectively.

**Through-Delta Conveyance.** Enhancing through-Delta conveyance to support the big gulp-little sip strategy can provide fish protection and water quality improvement while optimizing the size and cost-effectiveness of new north Delta diversion and conveyance facilities. This concept is absent from both BDCP and the Portfolio Alternative, as well as near-term Delta planning.

**Strategic Levee System.** Critical levee investments are needed to increase the security of through-Delta conveyance, protect the Delta as place and other critical infrastructure, and provide aquatic habitat in channels that are not primary conveyance corridors. The State lacks any effective strategy for achieving these objectives and integrating actions with BDCP.

**Habitat Restoration.** The BDCP outlines a comprehensive set of habitat restoration actions. The successful implementation of these actions will depend in large part on adaptive management, independent science reviews, and effective performance monitoring. The success will also depend on minimizing conflicts with existing land uses and mitigating economic impacts in the Delta.

**Delta Channel Hydrology.** The BDCP includes water operations and several physical changes to improve Delta habitat water quality and fish migration through the Delta. Absent from BDCP and other State planning are barriers, gates, and island restoration that could improve water quality (particularly salinity management) for Delta uses and for fish while reducing the need for reservoir releases.

**Water Use Efficiency and Alternate Water Supplies.** Regional self-sufficiency and alternate water supplies are almost universally acknowledged as critical for meeting future water demands. These actions are also critical for supporting the big gulp-little sip strategy. The State lacks an adequate strategy for ensuring that all Delta water users make sufficient investments.