

June 8, 2016

The Honorable Sally Jewel Secretary U.S. Department of Interior 1849 C Street, NW Washington, D.C. 20240 The Honorable Penny Pritzker Secretary U.S. Department of Commerce 1401 Constitution Avenue, NW Washington, D.C. 20230

Dear Secretaries Jewell and Pritzker,

The undersigned represent the majority of public water agencies that contract with the United States for delivery of Central Valley Project (CVP) water. The CVP is the nation's largest reclamation project and extends throughout the heart of California, from the Cascade Range in the north to the Tehachapi Mountains in the south. The CVP also serves water to coastal areas of California, including Santa Clara and San Benito Counties. While protecting the Central Valley, which today has a population roughly the size of Colorado, from unpredictable water shortages and floods is a major objective of the CVP, it also improves navigation, provides for recreation, enhances water quality, protects and recharges groundwater, supplies municipal and industrial water, generates electric power, and aims to protect, restore, and enhance fish, wildlife, and associated habitats in the Central Valley and Trinity River. The CVP provides these benefits to 7 of the nation's top 10 agricultural counties, extensive wetland habitat second only to the Florida Everglades for waterfowl and terrestrial species alike, many of them listed, and to millions of Californians from rural, often disadvantaged agricultural communities, to the world famous "Silicon Valley". In turn, California provides much for the country and the world, from 50 percent of the nation's fruits, nut, and vegetables, to vital links in the international Pacific Flyway, to cutting edge technology. By providing a reliable and affordable water supply, it has been estimated the CVP has returned more than 100 times the \$3 billion investment by the United States. In short, the CVP is not only a vital part of California's economic, social, and cultural fabric, its affect is global – it is part of who we are.

For the past 25 years, Reclamation's ability to meet congressionally authorized project purposes has steadily declined, with especially devastating socio-economic effects along the Westside of the San Joaquin Valley. At the heart of this decline is a series of choices made by federal regulators to implement actions aimed at complying with the Endangered Species Act and Clean Water Act. The past 9 years in particular have been exceptionally devastating as the constrained operational flexibility of the CVP has been confounded by natural drought, compounding the severity of chronic water supply shortages. In 2014, the first time in the CVP's history, Reclamation was unable to make any CVP water available to over 2 million acres served by agricultural water service contractors, or to fully meet its obligations to deliver substitute water supplies to the San Joaquin River Exchange Contractors and level 2 refuges supplies to managed wetlands in the San Joaquin Valley. This inability was repeated in 2015. If, after 25 years, billions of dollars spent, and millions of acre-feet dedicated to fisheries management there was any demonstrable improvement in the status of targeted species, then one could perhaps rationalize the untold human costs and suffering. Sadly, there has been no improvement in the abundance of targeted species – just the opposite in fact.

Now we are being told by the United States Fish & Wildlife Service (FWS) and National Marine Fisheries Service (NMFS) that even more must be taken from the CVP in the name of protecting the Delta smelt and winter run Chinook salmon. We understand that winter run and Delta smelt populations are at critically low levels because the people we serve have suffered a disproportionate burden of that failure. We also understand that numerous independent scientific advisors have warned us for decades that if we do not implement comprehensive solutions, we are bound to fail. And that is exactly what has happened. Yet, it appears the federal fish agencies are proposing to repeat a "more of the same" strategy. Where does it end? Why is the CVP mitigating for impacts and circumstances that are neither caused by the CVP nor within its control? What are the implications to the future financial viability of the CVP and communities that rely upon it for water? What does this mean to a nation dependent upon California's agricultural production? And what are the implications to our other social priorities, such as worker safety, food safety, pesticide safety, and reducing carbon emissions all at an affordable price? Undoubtedly you will hear about studies and experiments to address other stressors, but you likely will not hear about meaningful, proportionate, comprehensive actions. It is essential that the fishery agencies exercise their considerable discretion in achieving balanced outcomes consistent with the state's legislative mandate to achieve the co-equal goals of improving ecosystem health and providing a more reliable water supply.

Throughout the worst of the drought, CVP contractors have collaborated closely with each other and Reclamation to help develop and implement solutions to problems stemming from the realities of resource and regulatory constraints. Much of what was achieved to protect listed species was the direct result of CVP contractors' contributions. Regrettably however, the same level of openness, collaboration, and transparency has not manifested with the FWS or NMFS. On his first day in office, President Obama signed a Memorandum on Transparency and Open Government, directing the development of an Open Government Directive to instruct executive departments and agencies to take specific actions to advance the principles of transparency, participation, and collaboration. This initiative has only been expanded since. We call upon the FWS and NMFS to fully embrace the letter and spirit of the Administration's vision by inviting public water agencies and others to interact directly in the collection, analysis, and interpretation of data and development and implementation of species management actions. The time for a new, comprehensive approach is now.

With respect to actions being proposed for the summer and fall of 2016, there is much concern regarding the uncertainty of CVP and State Water Project operations, the scientific and legal basis for proposals, the potential yet unanalyzed impacts, the biological efficacy, the costs, and the lack of

alternatives, and absence of public transparency, participation, and collaboration. Given the potentially significant human and environmental impacts, we urge you to prevent any action that would result in deviation from Reclamation's April 1, 2016, water operations plan or redistribution of resources, including financial, until our concerns are resolved. To help guide our efforts, CVP contractors propose the following principals be applied to future development of FWS and NMFS actions:

- 1) Integrate public water agencies expertise into the process. Public water agencies have unique capabilities, expertise, and fiduciary duties unrepresented by state and federal agencies;
- Develop and implement comprehensive solutions, in accordance with independent scientific advice, to improve the efficacy, accountability, and success of environmental management actions;
- 3) Refrain from implementing actions that have highly uncertain predicted beneficial outcomes but highly certain predicted adverse impacts balance is key;
- To the extent an action is beyond the regulatory mandate, ensure that the resources dedicated human, natural, and financial - do not result in redirected adverse impacts or undermine prior commitments.

We have a long history of constructive, effective, and cooperative efforts among each other, the communities we serve, and with state and federal agencies. We can expand upon this successful track record to bring about better solutions to protect, restore, and enhance the species of mutual concern. As we sit today, Reclamation cannot explain how it will operate this summer, fall, or into next year because of regulatory uncertainty. This is an unacceptable situation for the 25 million Californians dependent upon the operations of the CVP and SWP. The future of the CVP, Central Valley agriculture, and California are dependent upon improved outcomes and we ask for your cooperation in helping us achieve this goal. We look forward to continuing this conversation with you as soon as possible and stand ready to meet at any time.

Sincerely,

Jeffery P Sutton General Manager Tehama-Colusa Canal Authority

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CCs:

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