

San Luis & Delta-Mendota Water Authority



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THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

September 15, 2009

Honorable David J. Hayes
Deputy Secretary
United States Department of Interior
1849 C Street, NW
Washington, DC 20240

Subject: Status of Two Gates Fish Protection Demonstration Project

Dear Deputy Secretary Hayes,

The California Bay-Delta is the largest estuary on the West Coast and hub to California's water supply. As you know, U.S. Secretaries Salazar and Locke have both expressed an acute awareness of California's current water crisis. Further, they have acknowledged that regulatory impacts resulting directly from the U.S. Fish & Wildlife Service's (FWS) 2008 Biological Opinion (Opinion) for Delta smelt have increased the effects of the natural drought significantly.

We believe that urgent implementation of the Two Gates Fish Protection Demonstration Project (Two Gates) could provide immediate and cost-effective protection to the smelt by allowing testing of managed flows and other factors that affect the entrainment of both adult and larval or juvenile smelt by the State and Central Valley Water Projects (Projects). Two Gates has been designed to enhance the protection of smelt beyond the level achievable under the Opinion. This greater level of protection, in turn, may provide the resource management agencies greater flexibility in operating within the discretionary range identified in the Opinion, which may offer some relief from the water supply constraints that now impact vast portions of California.

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Two Gates has been under development for the past year by the Metropolitan Water District of Southern California, the State Water Contractors, and the San Luis & Delta-Mendota Water Authority (Agencies). The Agencies propose to install two temporary gates in the southern end of the Delta, in Old River and Connection Slough, to influence hydrodynamic conditions that affect Delta smelt and the operational capacity of the Projects. In July 2009, the U.S. Bureau of Reclamation (Reclamation) agreed to become the lead agency in implementing the project and has been working with the Agencies, reviewing design and environmental analysis and preparing a Biological Assessment. We thank you for that action and the direct federal involvement that is so necessary to move this project forward. It is intended that, pending satisfactory results of environmental analyses, Reclamation will assume ownership of the project.

Shortly before the Congressional summer recess, both the House and Senate passed the 2010 Energy and Water Development Appropriations bills, which included \$10 million to fund the federal component of Two Gates or the Intertie. This amount was considered a “place holder” as final cost estimates dependent upon the amount California would make available and construction cost proposals had yet to be confirmed. To date, the Agencies have provided \$5.3 million to fund the development, design, and environmental analysis of Two Gates. Costs to complete the project are estimated to be \$49.2 million. On September 10, the California Department of Water Resources committed nearly \$16.1 million to the project. While we are hopeful that Congress will appropriate the \$10 million for Two Gates, the Agencies are seeking to increase the level of federal support for this project to \$33.1 million.

Under the current schedule, Two Gates could be operational by November 2010. While we had hoped to complete the project by November 2009, it has become impossible to complete the project on such an aggressive schedule. This is no fault of the parties, but comes from the time necessary to secure funding and complete the fabrication process. To achieve this, key action timeframes include: the Agencies soliciting proposals for construction in September, Reclamation issuing a Biological Assessment by October, and the resultant Biological Opinions from FWS and the National Marine Fisheries being issued by November 2009. In order to manage costs, the procurement of materials and gate fabrication must begin no later than fall, 2009. Installation would begin in the summer of 2010.

We believe the Two Gates project science program, which is an integral element of a successful Two Gates project, can proceed this year. The science program will be conducted by the USGS, UC Davis, Resource Management and Associates, and DFG. The major program components include the development of a new Delta smelt behavior forecasting model, new Delta smelt behavior field monitoring, new turbidity monitoring and salmon tracking, continuation of 16 USGS flow monitoring stations, a new web site for real-time data sharing and the completion

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of an existing salmon study to guide the Two Gates salmon studies. The initial cost for this fall/winter work is estimated to be \$1.5 million with the annual costs for the subsequent years to range from \$3.5 million to \$4.5 million depending upon cost sharing from other programs.

The dire situation facing the Delta smelt and the hardships that are afflicting tens of millions of Californians who are reliant upon water conveyed through the Delta drive the urgency of completing Two Gates as quickly as possible. Without federal support, this goal is unachievable. The Administration has already dedicated significant Recovery Act resources to California water issues; however, very little of this funding has been directed toward actions that could immediately benefit the Delta. Increased federal funding support of the Two Gates project will complement these prior investments and would be entirely consistent with the Administration's commitment to helping California tackle its water challenges. We look forward to your continued attention to this matter. Please feel free to contact Randall Neudeck at (213) 709-1303 or Ara Azhderian at (209) 321-0859 if you should have any questions.

Sincerely,

Metropolitan Water District of Southern California

State Water Contractors



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General Manager

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San Luis & Delta-Mendota Water Authority



Daniel G. Nelson
Executive Director

cc: Honorable Dianne Feinstein
Honorable Barbara Boxer

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Honorable Ken Calvert

Honorable Dennis Cardoza

Honorable Jim Costa

Honorable Grace Napolitano

Honorable Devin Nunes

Honorable George Radonovich