

Dear Californian:

I believe that the energy crisis we experienced in 2000-2001 is a forerunner to the problems that California may soon experience with regard to water. If we do not take action now, the challenges we face may well turn into a crisis far more devastating than the energy crisis.

As in the energy sector, California does not currently have the necessary infrastructure to meet the needs of a growing population, a thriving economy and the environment. This will lead to severe shortages, higher prices, and difficult choices in times of drought.

Unlike in the energy sector, however, we have a plan to address the problem before it turns into a crisis. Since 1994 the State and Federal government have been working in partnership to develop an agreement that will improve California's environment *and* water supply and will ease the conflicts between the two. In June 2000, Governor Gray Davis and Secretary of the Interior Bruce Babbitt unveiled a Bay-Delta Program that provides a roadmap for meeting the twin objectives of ecosystem restoration and improved water supply reliability.

To fund and implement that plan, I have introduced the CALFED Bay-Delta Authorization Act. This legislation represents a comprehensive approach to the water issue in California—balancing the needs of the agriculture industry, municipal users, and the environment.

If there is one lesson that we can learn from the energy crisis, it is that the time to address a crisis is not while it is happening, but before.

Sincerely,

A handwritten signature in blue ink that reads "Dianne Feinstein". The signature is fluid and cursive, with the first name "Dianne" being larger and more prominent than the last name "Feinstein".

Dianne Feinstein
U.S. Senator

THE ISSUES

Population Growth:

California's water infrastructure was built when the State's population was 16 million. Now, California's population has grown to 35 million, and by the year 2020, it will reach 50 million. Despite this growth, the last major infrastructure improvement in the state occurred in the 1960s.

Environmental Vulnerability:

California is home to some of the most beautiful vistas, diverse species, and significant environmental resources in the world. Past water development, however, has degraded these resources. Future water development must restore and enhance them.

Thriving Agriculture:

California is the number one agricultural producing state, leading the nation in the production of dairy products, wine and grapes, strawberries, almonds, lettuce, tomatoes, and more. But because much of California is a dry, semi-arid region, agricultural production requires a significant investment in water resources and irrigation systems.

Unless we improve the water infrastructure in California, the State's supply of drinking water, water for agriculture and water for ecosystem restoration is in serious jeopardy.

THE HISTORY

Over the past nine years, Senator Feinstein has convened more than one hundred meetings with agricultural, urban, and environmental stakeholders to determine the best way to address the State's water challenge in an environmentally sensitive manner.

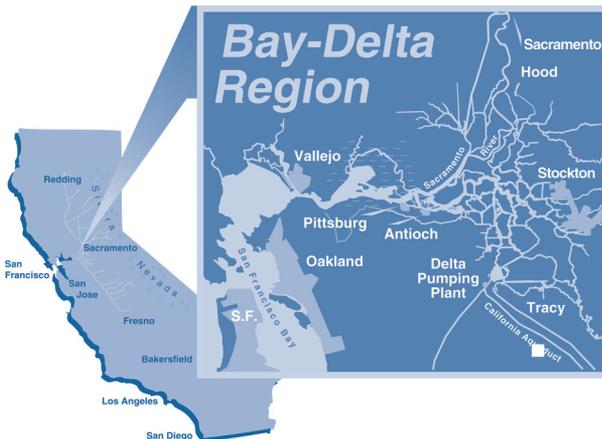
Out of these meetings came the California Bay - Delta Accord, which set forth a Framework for Action between the State and Federal Government on ecosystem restoration, environmental preservation, and a plan for new, smart storage of water.

The legislation that Senator Feinstein introduced will continue the process begun seven years ago, providing a comprehensive approach to the water problem in California.

The legislation seeks to:

- Restore environmentally significant areas of the State, including the San Francisco Bay-Delta.
- Provide the necessary water infrastructure to enable California to continue to lead the nation in economic growth and agricultural production; and
- Ensure a safe, reliable source of drinking water for California's growing population.

By taking this approach, the legislation balances the needs of agricultural, urban and environmental interests and begins to address the needs of California's aging water infrastructure and to restore the State's environmental resources.



The Bay-Delta Accord provides a roadmap for meeting the twin objectives of ecosystem restoration and improved water supply reliability.

THE CALFED BAY-DELTA AUTHORIZATION ACT OF 2003

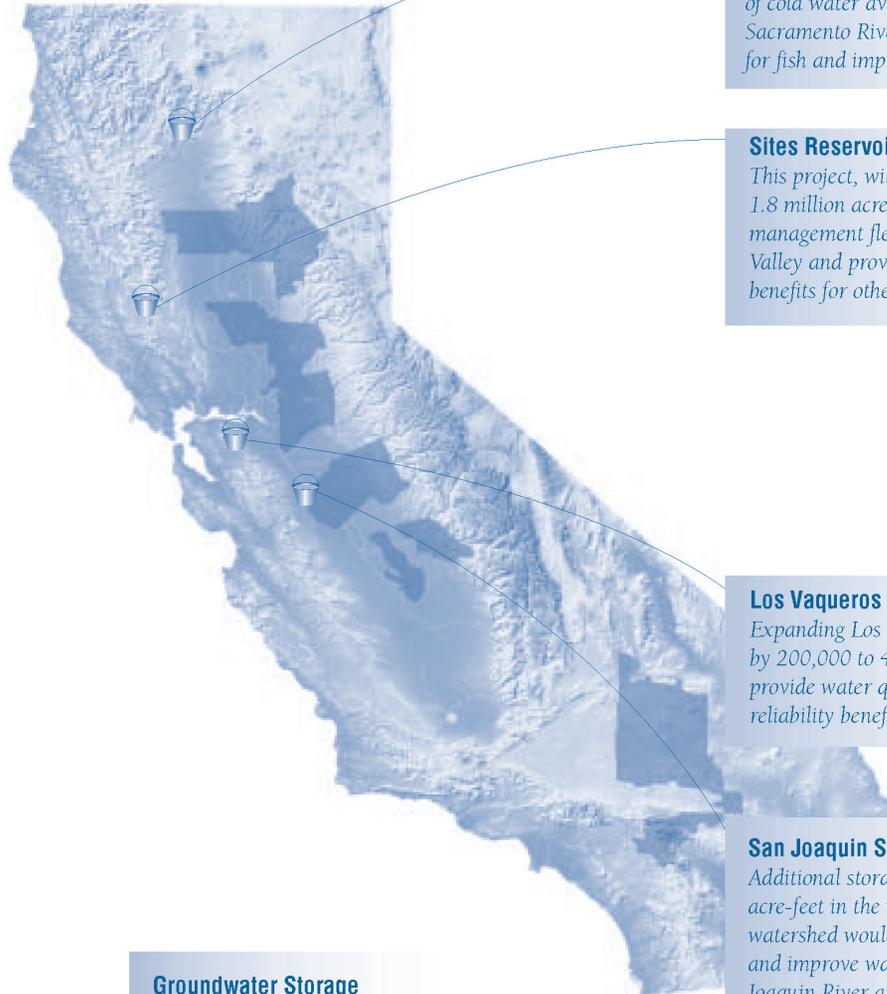
Senators Feinstein has developed *The CALFED Bay-Delta Authorization Act* to improve California's water supply.

The legislation would protect and restore endangered habitats and ecosystems; authorize funding for the State-Federal partnership known as CALFED; and create off-stream water storage so that more water from wet years can be used during dry years.

The act authorizes \$880 million in federal contributions over 4 years and would establish a reliable water supply through a balanced program of projects in the following areas:

- Improved Infrastructure and Water Storage:**
 Including screens to protect fish, levee improvements to protect water quality and ensure beneficial land use, through-Delta conveyance improvements and additional ground and off-stream surface water storage.
- Ecosystem Restoration:**
 Comprising more than 600 program elements including water

POTENTIAL WATER STORAGE PROJECTS



Shasta Enlargement

An increase in Shasta storage capacity by 300,000 acre-feet would increase the pool of cold water available to maintain lower Sacramento River temperatures for fish and improve water supply.

Sites Reservoir

This project, with a capacity of about 1.8 million acre-feet, would enhance water management flexibility in the Sacramento Valley and provide storage and operational benefits for other CALFED programs.

Los Vaqueros Enlargement

Expanding Los Vaqueros reservoir by 200,000 to 400,000 acre-feet would provide water quality and water supply reliability benefits to Bay Area water users.

San Joaquin Storage

Additional storage of 250,000 to 700,000 acre-feet in the upper San Joaquin River watershed would be designed to help restore and improve water quality for the San Joaquin River and facilitate conjunctive water management and water exchanges that improve the quality of water deliveries to urban communities.

Groundwater Storage

Groundwater Memorandums of Agreement

- 16 agreements with counties and local water management agencies

Groundwater Grants and Loans

- \$107.6 million for 39 projects (Prop. 13, Chapter 8 Article 4 and Chapter 9 Article 2, and AB 303)

purchases to improve river habitat, removal of dams that are no longer necessary and hinder fish migration, restoration of streams, and restoration of significant land habitat.

Improved Water Management:

Including smarter use of water supplies and facilities to reduce environmental impact of water exports. Projects include water transfers, conservation, reclamation, drought contingency planning and implementing a joint point of diversion for the State and federal water projects.

The bill limits the federal cost share to 33% and requires that the projects be implemented in a balanced way that provides for the simultaneous development of ecosystem restoration and water projects.

INCREASING CALIFORNIA'S WATER SUPPLY

To ensure that there is enough water for drinking, for agriculture, and for ecological restoration, the bill promotes environmentally sensitive water storage projects.

To promoting water recycling and the recharging of groundwater supplies, the bill authorizes all the necessary studies to increase the height of Shasta Dam, enlarging Los Vaqueros Reservoir, building Sites reservoir in the Sacramento Valley, and providing water storage in the upper San Joaquin Valley.

Overall, this bill would authorize \$880 million to cover the federal share of the CALFED program from fiscal year 2004 through 2007. The state and water users will be responsible for another third each.

This funding will help ensure that California has a safe, reliable supply of drinking water, that there adequate resources for environmental restoration, and that the State remains a worldwide leader in agriculture.



The Calfed legislation provides funding to improve water conveyance so that everyone's water needs can be met.

PROTECTING THE ENVIRONMENT

While it is necessary to increase the State's supply of water, it is critical that significant environmental habitat be restored and protected throughout the state, and especially in the San Francisco Bay-Delta.

The Bay-Delta which provides drinking water for more than 2.2 million Californians, is an area of unsurpassed ecological importance for salmon, migratory waterfowl and more than 750 other important plant and animal species.

Therefore, to protect the Bay - Delta and other sensitive areas in the State, this legislation provides funding to purchase water to protect threatened and endangered species and to enhance fisheries, and create conditions in which the State's water projects can operate reliably.

In addition, the legislation would authorize the following environmental enhancement projects:

- Improving fish passages through the modification or removal of locally owned dams;
- Restoring streams and rivers of Clear Creek, Deep Creek, Consumnes River, San Joaquin River and Tuolumne River;
- Restoring habitat in the Delta, San Pablo Bay, Suisun Bay, and Yolo bypass;
- Establishing 8,000-12,000 acres of wildlife friendly agriculture lands;
- Restoring habitat and hydraulic needs on Frank's Tract in the Delta;
- Improving salmon spawning and juvenile survival in upstream tributaries;
- Protecting and restoring the Sacramento River meander corridor as part of the Sacramento River Conservation Area including purchase of easements over 15,000 acres, re-vegetation and restoration of stream meander;
- Implementing an invasive species program;
- Assessing the potential need for additional fish contamination, monitoring and consumption advisories in the Bay-Delta Watershed;
- Assessing exiting agency programs to reduce turbidity and sedimentation;
- Improving dissolved oxygen conditions in the San Joaquin River near Stockton.

Through these and other projects, this legislation will ensure that California's precious natural resources are adequately protected.



FOR MORE INFORMATION

If you are interested in receiving further information about this important issue, please log on to Senator Feinstein's website (<http://feinstein.senate.gov>) and register to receive e-mail updates, or contact:

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