

Memorandum

Date : June 21, 2000

To : Art Baggett
Acting Chairman
State Water Resources Control Board
901 P Street
Sacramento, California 95814

From : **Department of Water Resources**

Subject : Proposal to Stay Phase 8 of the State Water Resources Control Board Bay-Delta Hearings

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On June 9, 2000, Governor Davis and Secretary of the Interior Babbitt issued the CALFED proposal entitled "California's Water Future: A Framework for Action." This Framework for Action requires the participation of State and federal agencies and water users as a Record of Decision associated with it is developed. On June 30, 2000, the State Board is scheduled to receive evidence and legal briefs and begin Phase 8 of its ongoing Bay-Delta hearings. Phase 8 is intended to assign the responsibility for meeting Bay-Delta water quality and flow standards amongst those who divert water from the Delta and its tributaries.

The Department of Water Resources, as well as representatives of both export water users and upstream Sacramento River water users, believe that the Framework for Action provides an opportunity to resolve significant Phase 8 issues. Specifically, the way the primary Phase 8 controversy is decided could affect the availability of water that would be used to implement the Governor's drought contingency plan and other programs under the Framework for Action. Furthermore, water storage options that are spelled out in the action plan programs, if pursued and implemented, have the potential to ease the water supply shortages.

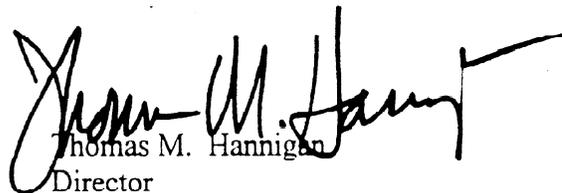
DWR, therefore, requests that Phase 8 of the Bay-Delta hearings be stayed until the end of the year and early next year. This would mean that testimony and exhibits shall be submitted by late December 2000 or in the first week of January 2001, with briefing and hearings to follow shortly thereafter. During the stay, the Bay-Delta water quality standards will continue to be met by the Central Valley Project and the State Water Project. This request is supported by representatives of the CVP and SWP contractors and upstream water users in the Sacramento and San Joaquin Valleys.

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This stay would help further the goal of properly resolving important CALFED concerns and State Board issues:

- o It would provide all concerned with the time needed to work with the Governor's office and the CALFED agencies in a joint, cooperative manner to develop a ROD and an implementation plan for Stage I, which would provide tools necessary to end water shortages.
- o It will provide all concerned with the opportunity to negotiate a package agreement that will provide both the water needed to implement the Framework for Action, including the Governor's drought contingency plan and the agreements to resolve issues in Phase 8 of the SWRCB hearings. The timing for completing this negotiated package would be consistent with the time-frame set forth in the Framework for Action for finalizing the drought contingency plan. The negotiations would be properly structured to reach a conclusion by this date. Monthly reports of progress would be provided.
- o It would provide the time necessary to produce an integrated and sustainable solution that could comprehensively address Phase 8 and ROD issues.

The Framework for Action provides new tools and facilities to address California water issues. It will be difficult to separate our CALFED work in these areas from the pending State Board hearings. We, therefore, ask the State Board to assist us in achieving our mutual goals in a non-contentious, constructive forum. As stated above, this stay will not affect protection of the Bay-Delta standards--they will be met by the CVP and SWP as they have in the past. Thank you for your prompt consideration of our request.



Thomas M. Hannigan
Director

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