Statement of

Nancy Saracino Chief Deputy Director California Department of Water Resources

Before the U. S. House of Representatives Committee on Resources Subcommittee on Water and Power

Concerning "San Joaquin River Restoration Implementation Legislation"

March 1, 2007

Introduction

Chairwoman Napolitano and members of the Subcommittee, I appreciate the opportunity to appear before you today to discuss H.R. 24, the San Joaquin River Restoration Settlement Act. I am here to convey the State of California's support for this legislation.

As you know, the settlement that H.R. 24 would implement represents unprecedented consensus on a process that will have lasting positive impacts on the natural environment while protecting farmers and the Central Valley economy. The settlement creates a clear obligation to the settling parties, but more importantly, an incredible opportunity to achieve a historical restoration of a western river.

The role of the State of California

Although not a signatory to the settlement, the State of California has many interests in a healthy fishery and the successful restoration of the San Joaquin River. To that end, we have already allocated a considerable amount of our resources to facilitate restoration of this important resource.

Recognizing the importance of an agreement that could set the stage for restoration of the San Joaquin River, the state has expressed its support throughout the process that ultimately resulted in the settlement to be implemented by H.R. 24. In January of 2006, Governor Schwarzenegger sent a letter to Secretary of the Interior Gale Norton, in which he conveyed early state support for a solution to the long-debated future of the San Joaquin River.

In September of last year, the State of California joined with federal agencies and other settling parties to sign a Memorandum of Understanding (MOU) to help implement the Stipulation of Settlement. Soon after, California Secretary for

Resources, Mike Chrisman presented testimony at a hearing held by this Subcommittee which reaffirmed the strong support of the state for the Settlement Agreement. This testimony was followed by a letter from Secretary Chrisman to Senator Feinstein on November 30, 2006, which reiterated the state's support and outlined the state's financial commitment to the restoration process.

California has already allocated \$1.5 million dollars for restoration activities in the current budget year. An additional \$18.3 million in funding from prior bonds and Proposition 84, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, has been proposed in the Governor's 2007-2008 budget to initiate restoration activities consistent with the settlement.

Furthermore, as pledged in Secretary Chrisman's November letter, the state is committed to looking for opportunities under Proposition 1E, the Disaster Preparedness and Flood Prevention Bond Act of 2006, as well as other provisions of Proposition 84, in order to fund multi-benefit projects in support of the settlement. For example, at least \$40 million dollars is available under Proposition 84 for water quality improvement projects on the San Joaquin River.

Coordination and communication among parties

State agencies, including the Resources Agency, the Department of Water Resources and the Department of Fish and Game, federal implementing agencies and the settling parties have already begun collaborating to plan, design, fund, and implement actions to support the restoration of the San Joaquin River.

If Congress approves legislation implementing the settlement, the Department of the Interior will be tasked with new responsibilities to carry out the commitments made in the settlement to resolve the longstanding litigation. It will be very important for the state to coordinate closely with the Department of Interior to ensure that planning on restoration activities is well coordinated and funds spent in a way that optimizes the value of the investment of scarce resources.

In addition, it will be important to ensure that a full and open public process allows for all interested in the restoration efforts to be heard as we move forward. Effective communication and coordination among all parties early on and throughout the restoration will be a challenge, but it is a challenge which must be met.

Progress towards implementation

Concurrent with the settling parties' signing of the settlement, the State of California entered into a MOU which then became an appendix to the Agreement

and filed in federal court. The intent of the MOU was to set out the initial framework for state collaboration with the settling parties on implementation.

The MOU included two critical requirements. First, the Secretaries of Interior and Commerce, along with the California Secretaries of Environmental Protection and Resources, were required to establish a process for the state and federal agencies to implement the settlement. This requirement is important because the Stipulation of Settlement assigns to the Secretary of Interior many restoration tasks that will require California's participation and approval for them to be achieved. We have established implementation teams with the federal government and a process for coordination consistent with this requirement in the MOU.

Second, the state and the settling parties are to establish a mechanism to ensure public participation and input into the implementation of the settlement. In addition to concern for the environmental considerations of the restoration, the State of California recognizes that there are many interested third parties along the river and many that have already spent years working on restoration efforts. To successfully restore this river, we must work collaboratively with all of these interests.

Allow me to summarize progress to date in achieving the goals of the MOU and settlement as well as significant coordination efforts among the state and federal governments, the settling parties and other interested and affected entities.

We are engaged with the settling parties in the process of hiring a Restoration Administrator who will be charged with directing the program manager, and will have the responsibility of assisting with the overall implementation of the agreement. The Technical Advisory Committee is also taking shape, Friant and NRDC have already appointed representatives, and ex-officio state representatives have been identified.

A five-agency Program Management Team has met on multiple occasions and is making progress on a Program Management Plan. The Plan will serve as the agencies' agreement for implementation of the restoration plan and is expected to be completed by the end of April. A public involvement process is being developed by the Program Management Team to ensure the opportunity for input and participation throughout the development of the plan.

The state is contracting with a nonprofit entity to oversee the funding for the Restoration Administrator as well as other charges related to the Technical Advisory Committee and public outreach.

Finally, work is underway to install additional water quality and flow stations along the San Joaquin River for the purpose of monitoring restoration efforts as they move forward.

In conclusion, we are pleased with the progress made towards restoration thus far. In order to move forward and to begin to reap the rewards of restoration the parties await the critical missing piece necessarily for full scale implementation, and that is the proposed legislation that is before you today.

Conclusion

The restoration of the San Joaquin River will have enduring statewide and national significance. The rejuvenation of a critical fishery, restoration of devastated habitat, improvements to the water-delivery network for more than 22 million Californians and the irrigation lifeblood for the productive breadbasket that is California's Central Valley: this is what we can all look forward to as implementation advances.

A discouragingly long battle in the courts has at last culminated in what can truly be called a landmark settlement. The San Joaquin River will once again become a living river, flowing as nature intended, from its headwaters in the High Sierra all the way to San Francisco Bay.

Chairwoman Napolitano and members of the Subcommittee: I urge you to consider the paramount significance of this settlement, and I respectfully ask for you to support this legislation and make the long overdue restoration of the San Joaquin River part of your legacy.

Thank you.