MICHAEL B. JACKSON SBN 053808 1 20 Crescent St. / P. O. Box 207 2 **Quincy, CA 95971** 3 Telephone: (530) 283-1007 Fax: (530) 283-4999 4 Email: mjatty@sbcglobal.net 5 **BEFORE THE** 6 CALIFORNIA STATE WATER RESOURCES CONTROL BOARD 7 8 HEARING IN THE MATTER OF **BRIEF OF CALIFORNIA** CALIFORNIA DEPARTMENT OF WATER SPORTFISHING PROTECTION 9 RESOURCES AND UNITED STATES ALLIANCE, AQUALLIANCE AND **BUREAU OF RECLAMATION** CALIFORNIA WATER IMPACT IN 10 REQUEST FOR A CHANGE IN POINT OF **SUPPORT OF FEB. 7, 2018 REWEWED** 11 DIVERSION FOR CALIFORNIA WATER MOTION OF NRDC ET AL. FOR FIX STAY OF PART 2 OF HEARING DUE 12 TO ANTICIPATED CHANGES IN THE 13 PROPOSED PROJECT, AND IN **RESPONSE TO HEARING OFFICERS'** 14 **OUESTIONS OF FEBRUARY 8, 2018 AND DWR FEBRUARY 9, 2018** 15 **RESPONSE** 16 17 INTRODUCTION 18 The California Sportfishing Protection Alliance, AquAlliance and California Water 19 Impact Network (collectively, CSPA et al.) support the February 7, 2018 Renewed Motion for 20 21 Stay of Part 2 of Hearing Due to Anticipated Changes in the Proposed Project, as posed by Mr. 22 Obegi of the National Resources Defense Council via e-mail to the hearing service list at 23 approximately 4:27 pm on February 7, 2018. CSPA et al. also respond herein to comments by DWR and others at the hearing on the morning of February 8, 2018, and to the Questions of the 24 25 Hearing Officers as posed to the hearing service list at approximately 6:28 pm on February 8, 26 27 28 1

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2018,<sup>1</sup> and the response to all of the above by the Department of Water Resources (DWR) at approximately 4:57 pm, February 9, 2018.<sup>2</sup>

The hearing officers should grant the motion for stay. It is extremely prejudicial to CSPA et al. and other protestants to require protestants to respond on an immediate turnaround to the substantial change to the proposed project that DWR's Director Ms. Karla Nemeth announced on February 7 and that she further described at hearing on the morning of February 8. It is prejudicial that protestants must consider and respond to the ramifications on a three-day turnaround in regard to the procedural schedule. It is prejudicial that protestants must consider new evidence regarding project operations, including voluminous model output, and still prepare for cross-examination of DWR's Part 2 case-in-chief witnesses with one week for preparation and review (a week during which protestants must also make procedural responses). If stay were not granted, it would be prejudicial for protestants to have to cross-examine DWR and Bureau of Reclamation (Bureau) witnesses when those witnesses have presented no direct testimony on phased implementation of the project. Finally, it would be substantively extremely prejudicial for the hearing officers to accept DWR's representation that phased implementation would cause no changes in effects on fish and wildlife or on legal users of water, and have no bearing on potential permit terms, because real-time operations and adaptive management will mitigate any new effects or redress any additional injury over time. The adequacy of DWR and the Bureau's proposal to limit permit terms to D-1641, real time operations and adaptive management is at the heart of the disputed substantive issues in this hearing.<sup>3</sup>

DWR's opposition to the NRDC motion relies on two illogical and misleading assumptions: (1) that petitioners have not definitively decided to implement a revised WaterFix alternative, and (2) that the Governor's announced one tunnel project is not a new project that

<sup>&</sup>lt;sup>1</sup> For ease of reference, we refer to these questions as February 8 Questions from Hearing Officers.

<sup>&</sup>lt;sup>2</sup> Department of Water Resources Consolidated Opposition to the Natural Resources Defense Council's, Defenders of Wildlife's and the Bay Institute's Renewed Motion to Stay Part II of the Hearing Due to Anticipated Changes in the Proposed Project and Joinders Thereto; And Responses to Questions from the Hearing Officers. February 9, 2018. (hereinafter, DWR Opposition to Motion)

<sup>&</sup>lt;sup>3</sup> See letter of DWR and the Bureau to the hearing officers of September 8, 2017 ( Re: August 31, 2017 Ruling Regarding Scheduling of Part 2 and Other Procedural Matters)

requires further analysis before Part 2 of the WaterFix hearing can resume in a lawful manner. This ignores two important facts. First, the one-tunnel project, whether it is characterized as a "staged project" or a "reduced final project," is a new project both under CEQA and for purposes of this change petition. Second, the altered project will require new testimony from all parties to the hearing.

Petitioners admit that they are "seeking permission for a major change" (DWR Opposition to Motion at p. 3, ll. 20-21) In support of this major change, "the Department is preparing a draft supplemental EIR expected to be released in June 2018 with a final expected in October 2018." (DWR Opposition to Motion, p. 3, ll. 25-26) One of the obvious reasons that a supplemental EIR is necessary is that the superseded FEIS for the WaterFix found the "staged" approach to be infeasible. Therefore, the original FEIS did not thoroughly analyze the full range of environmental impacts that would result from choosing such an alternative.

Petitioners also admit that for some undisclosed time they have been doing "preliminary analysis and modeling" on the impacts of the altered project (DWR Opposition to Motion at p. 3, Il. 12-13). However, the "preliminary modeling" was made available to the public on February 8, 2018, more than two months after all parties submitted written evidence in Part 2 of the WaterFix hearing. It is reasonable to assume that petitioners knew they were considering changing the project before the filing deadline for Part 2 testimony. However, they failed to notify the protestants of the major changes in the proposed project before the filing deadline. It is possible that the petitioners informed the Board hearing staff of the proposed changes to the project during meetings between DWR and Board staff about CEQA documentation for the proposed project. If petitioners did alert the Board staff of these major changes to the proposed project, that information was not shared by staff or the hearing officers with the rest of the parties to the WaterFix hearing in time for protestants to prepare testimony in response.

Moreover, a number of protestants have alleged that Board hearing staff have improperly engaged in *ex parte* communications with DWR regarding the proposed project. The Board has responded that those contacts were limited to the Board's role as a responsible agency and consequently were not improper. Regardless of whether or not those acknowledged contacts

were improper *ex parte* communications, the Board remains a responsible agency regarding the recently announced supplemental EIR. Should the Board proceed with the WaterFix hearing before it receives the final certified supplemental EIR, the Board must clarify its role in the development of the supplement. The Board must also publicly disclose any future contacts between Board hearing staff and petitioners. Once the supplemental EIR is certified, the Hearing Officers must allow all hearing parties to provide testimony and to cross-examine petitioners regarding the content and adequacy of the supplemental EIR, with respect to the issues in both Parts 1 and 2 of the hearing. Since the supplemental EIR will be inextricably intertwined with the Final EIR/EIS, the Hearing Officers must extend the right to testify on and cross-examine petitioners on the adequacy of the Final EIR/EIS as well. Failure to allow such testimony and cross-examination would be prejudicial and would deprive protestants of due process rights.

In undertaking an supplemental EIR, DWR has confirmed that the CEQA process is incomplete and that the Final EIR/EIS is inadequate. DWR must complete its supplemental CEQA document and its ESA and CESA consultations. Consequently, the Hearing Officers should stay the hearing until the CEQA process is complete, a final supplemental EIR is certified, and endangered species consultation is complete.

In the alternative, the Hearing Officers should dismiss the petition with leave to resubmit once the final CEQA document is certified and endangered species consultation is complete.

## I. The Final EIR/EIS is inadequate for this hearing by admission of the petitioners.

Question 1 of the February 8 Questions from Hearing Officers is actually two questions that ask:

1. Does the certified final Environmental Impact Report (EIR) address all potential impacts if the WaterFix Project is constructed and operated in stages? In the supplement to the EIR, what additional analyses will be performed and what specific environmental issues will be evaluated?

DWR has already acknowledged that the certified final EIR fails to address all potential impacts if the WaterFix Project were to be constructed and operated in stages. DWR concluded that a supplemental EIR is required and that "the supplemental EIR will necessarily review each resource topic originally presented in the certified EIR." (*See* DWR Opposition to Motion at p. 9, 1. 3-5) Moreover, since only *preliminary modeling data* was provided to protestants on February 7, additional refined analyses are likely to be conducted. It is prejudicial and a violation of due process to require protestants to identify all potential impacts of staged construction, necessary analyses and specific issues to be evaluated within a five-day window. The Hearing Officers must allow these issues to be raised in a public scoping for the supplemental EIR and in public comments on the draft supplemental EIR, and must not rely on the conclusory claims of petitioners.

II. <u>Different ratios of water diverted for the SWP and CVP at the North Delta</u>
<u>Diversions will affect public trust resources, injury to legal users of water,</u>
<u>and appropriate upstream and Delta flow criteria.</u>

Question 2 of the February 8 Questions from Hearing Officers is actually two questions that ask:

2. If DWR constructs and operates the WaterFix Project in stages, to what extent would Reclamation participate during the first stage? Would the WaterFix Project be operated differently if Reclamation does not participate?

These questions are phrased imprecisely. The responses of DWR are unresponsive and evasive.

A clear distinction that makes a difference to users of water, to public trust resources, and to appropriate Delta flow criteria is *whether* the Bureau (or DWR under its own water rights and JPOD) will divert water at the North Delta Diversion (NDD) for delivery to CVP facilities or contractors. It also matters *how much* water the Bureau (or DWR) will divert at the NDD for delivery to CVP facilities or contractors, and under what basis in right. DWR's February 9 response to this question is simply that "DWR and Reclamation do, and will continue to,

coordinate operations in the Delta. This coordination process is no different under the California WaterFix full implementation or under any staged construction approach." (DWR Opposition to Motion at p. 9, ll. 11-14) This response substitutes a vague description of process ("coordination") for a substantive answer.

It is not reasonable to ask protestants to enumerate and analyze on a five-day turnaround the implications of variations in the ratio of SWP and CVP diversions at the NDD. CSPA *et al.* provide a few examples of issues that could change project effects on fish and wildlife, injury to other legal users of water, and appropriate Delta flow criteria.

### A. The split of SWP and CVP water diverted at NDD may affect release patterns from SWP and CVP reservoirs.

Availability of NDD export capacity for the SWP but no capacity or less capacity for the CVP may affect the release patterns from upstream reservoirs to meet export demand and regulatory requirements in rivers upstream of the Delta and in the Delta. Release patterns affect water available for legal users of water upstream of Delta (including SWP and CVP contractors and settlement contractors) and public trust resources in the rivers upstream of Delta and in the Delta.

## B. The split of SWP and CVP water diverted at NDD may affect the hydrodynamics in the Delta.

An obvious effect on Delta hydrodynamics of the availability of NDD export capacity for the SWP but no capacity or less capacity for the CVP is the direction of more water in Delta channels toward the CVP's south Delta pumps (Jones) in proportion to direction of water in south Delta channels to the SWP's south Delta pumps (Banks). There are differences in likelihood of entrainment at each facility and in the quality of screening and salvage performance.

## C. The split of SWP and CVP water diverted at NDD may affect the assignment of responsibility for meeting Delta outflow requirements and export limits and for meeting Delta water quality requirements.

Availability of NDD export capacity for the SWP but no capacity or less capacity for the CVP may affect how the State Board assigns responsibility to the SWP and CVP for meeting Delta inflow and outflow requirements and Delta water quality requirements.

Presumably, if the State Board grants the petitions, the State Board would assign bypass flow requirements past the NDD. It is unclear how the degree to which the CVP would be implicated in meeting such requirements.

The SWP and CVP currently divide responsibility for meeting Old and Middle River (OMR) restrictions on reverse flows in the south Delta. Presumably, if the NDD were constructed but the CVP that had limited or no diversions at the NDD, the CVP would create a greater proportion of reverse flows in the south Delta than under the current configuration of SWP and CVP export facilities. That proportion and implementing language, either in biological opinions or in new permit terms for both the SWP and CVP, could change depending on amounts diverted by the SWP and CVP at both the NDD and respective south Delta facilities.

Petitioners stated in testimony in Part 1 of the WaterFix hearing that they would seek to (re-)define the compliance point for determining the D-1641 Table 3 Export limits, so that water diverted at the NDD would not be counted as Delta inflow in determining the "maximum percent of Delta inflow diverted." There is also some question as to whether petitioners intend to retain or eliminate the D-1641 Table 3 Rio Vista Delta outflow requirements. The State Board would have to evaluate export limitations and responsibility for Delta outflow, and the division of responsibility for meeting them, in the specific context of the ratio of SWP and CVP NDD and the resulting ratio of south Delta exports. If, for example, the SWP proposed to divert a substantial portion of its export water at the NDD while the CVP continued to divert all of its export water at Jones, the senior CVP water rights might lose the benefit of their seniority over SWP water rights, to the potential injury of CVP contractors both upstream and downstream of Delta.

# D. The Hearing Officers should require DWR and the Bureau to clearly state the ratio of SWP and CVP water that DWR or DWR and the Bureau will divert at the NDD under a staged implementation of WaterFix, and under what basis of right.

As described *supra*, there are threshold questions regarding effects on fish and wildlife, injury to other legal users of water, and appropriate Delta flow criteria that protestants and the State Board cannot answer without understanding the ratio of SWP and CVP water the petitioners will divert at the NDD. The hearing officers should require DWR and the Bureau to present testimony that describes the ratio of SWP and CVP water that DWR or DWR and the Bureau will divert at the NDD under a staged implementation of WaterFix, and under what basis of right. As a responsible agency under CEQA, the State Board should require DWR to explicitly address this ratio and analyze its impacts in the supplemental EIR.

# III. The Board should stay the hearing until petitioners complete environmental review on their new project alternative and until consultation under ESA and CESA is concluded.

Questions 3 and 5 of the Feb. 8 Questions from Hearing Officers ask:

- 3. If the WaterFix Project is intended to be constructed and operated in stages, is an amendment to the change petition or any additional supporting information under Water Code sections 1701.1, 1701.2, and 1701.3 necessary? Why or why not?
- 5. If a supplement to the EIR is entered into the administrative record, what is the most efficient way to address any new information included in the supplement?
- CSPA et al. answer these questions together, infra.

CSPA *et al.* have maintained throughout this hearing that the instant petitions in fact constitute an application for a new water right. Water Code § 1701.1 makes requirements of applicants for water rights. CSPA *et al.* thus maintain that the requirements of § 1701.1 apply in the present hearing.

The lack of certainty concerning the extent of the Bureau's participation in WaterFix makes it even more necessary to revisit the controversy about whether, absent the Bureau, the

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instant petitions are in fact applications for a new water right. DWR does not have the right to redivert stored water released from Bureau reservoirs into the Sacramento River, at least not before the Bureau is able to use that water to meet regulatory requirements and is afforded the opportunity to redivert the water in the south Delta or through other CVP contractor facilities in the Delta. DWR must complete the supplemental EIR to analyze what if any water released from Bureau reservoirs might be available to DWR for diversion at the NDD.

Water Code § 1701.3(a) allows the State Board to "request additional information reasonably necessary to clarify, amplify, correct, or otherwise supplement the information required to be submitted under this chapter." It further explains: "The board shall provide a reasonable period for submitting the information." Water Code § 1701.3(b)(3) states that such information may include "Information needed to comply with Division 13 (commencing with Section 21000) of the Public Resources Code [CEQA]."

DWR has already stated, in Director Nemeth's February 8 policy statement and in the DWR Opposition to Motion, that DWR intends to carry out a supplemental CEQA review of a phased implementation of WaterFix. The supporting information from that supplemental CEQA review is essential for the basic understanding of the project. This is not the operations plan that protestants have repeatedly asked for and that petitioners have repeatedly dodged.<sup>4</sup> This goes to basic questions like who will construct the project, who will get water from the project, and under whose water rights the project will divert water.<sup>5</sup>

Leaving aside the quality and the technical defensibility of modeling to date, petitioners have now provided different modeling to support the first draft EIR/EIS, the draft recirculated EIR/supplemental EIS, the Biological Assessment, Part 1 of the WaterFix hearing, and the Final EIR/EIS. On February 7, DWR presented yet another round of preliminary modeling to support

<sup>&</sup>lt;sup>4</sup> See DWR September 8, 2017 letter, op. cit.

DWR's Opposition to Motion refers back to the Hearing Officers' August 31, 2017 ruling, quoting: "[n]ot all uncertainties need to be resolved for an adequate project description, and one of the purposes of this proceeding is to hear evidence and argument concerning proposed operating conditions." (DWR Opposition to Motion at p. 6, l. 12-14) Surely, the diverters of water, the amounts they will divert, and the basis in right for these diversions are among those certainties whose resolution is necessary to proceed with the proceeding.

vet another supplemental EIR. Presumably, DWR will supplant this preliminary modeling with a more official round of modeling to support the supplemental EIR.

In Part 1 of this hearing, protestants faced having to present testimony about a project that had no final EIR/EIS and a mushy project description. Protestants were promised completed environmental review, biological opinions and a CESA take permit before starting Part 2. On the eve of Part 2, the Final EIR/EIS is a patchwork of cross references and back references, and the biological opinions leave many elements to be determined. Now, DWR asks protestants and hearing officers to dive into yet another DWR whirlwind of changing (but not yet presented) evidence and information-to-come-later.

In its Opposition to Motion, DWR appears to contemplate a scenario in which protestants would have the opportunity to "contest" at hearing any aspects of a "staged implementation." (DWR Opposition to Motion at p. 14, ll. 6-9) Protestants and others would need to come back for yet another round of testimony and cross-examination. In fact, there is no assurance that the hearing will still be ongoing by the time DWR completes CEQA.

Enough is enough. For how many do-overs and placeholders can protestants reasonably be expected to prepare testimony and cross-examination? The only efficient way to address any new information in the supplement to the EIR is to wait until DWR issues it and certifies it, and thereafter proceed with the hearing. This is also the only lawful way that petitioners can comply with the information requirements of Water Code § 1701.2 (c) and (d). Finally, it is the only way to proceed with the hearing without prejudicing protestants.

### IV. Protestants will need the opportunity to revisit multiple hearing issues following completion of CEQA and ESA and CESA consultation.

Question 4 of the February 8 Questions from Hearing Officers asks:

<sup>&</sup>lt;sup>6</sup> "If and when DWR does make a final determination about staged implementation and parties seek to contest it, they can attempt to do so. At that time DWR would submit testimony that there are not additional impacts within the issues of the State Water Board's jurisdiction and that evidence can be tested through cross examination." Note that DWR has apparently pre-determined the outcome of both the environmental review and DWR's position at hearing.

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4. If the WaterFix Project is constructed and operated in stages, are there potential impacts to legal users of water, fish and wildlife, the public interest, or consideration of appropriate Delta flow criteria that would warrant revisiting any Part 1 or Part 2 key hearing issues? Which issues?

Staged construction would require revisiting virtually all of the issues covered in Parts 1 and 2 of the hearing. As previously noted, it is unreasonable and prejudicial to protestants to be required to consider and respond to potential impacts to legal users of water, the public interest or consideration of appropriate Delta flow criteria from the substantial change to the proposed project proposed by DWR on a five-day turnaround. As discussed in Section I *supra*, petitioners' have already acknowledged that the certified final EIR fails to address all potential impacts. They have also acknowledged that a supplemental EIR will review each resource topic originally presented in the certified EIR and that only *preliminary modeling data* was provided to protestants.

DWR's unsubstantiated claims that there is nothing to see – that preliminary modeling indicates no new environmental issues related to staged implementation and that they expect no changes in impact determination and no changes to mitigation – cannot be taken at face value. The very purpose of a supplemental EIR for a revised project is to scope, evaluate, identify, and analyze potential impacts, propose mitigation measures, and circulate a draft for public review and comment. For example, potential impacts from vastly expanding the construction timeline include virtually all of the resource topics originally presented in the certified EIR, including but not limited to potential impacts to fish and wildlife, groundwater, recreation, transportation and air quality. The absence of the Bureau from the initial phase may result in changes to reservoir storage and release patterns; upstream flows; Delta hydrodynamics; responsibility for meeting inflow, outflow and export criteria, and CVP operations. Construction and dewatering activities for a second tunnel immediately adjacent to the first tunnel could potentially affect the structural integrity or operations of the initial tunnel. Under an already approved project, it is not known whether proponents be able to construct the third set of fish screens if monitoring and studies showed the initial two sets of experimental fish screens to be inadequately protective of fisheries. The litany of potential impacts to legal users of water, the public interest andr

consideration of appropriate Delta flow criteria applies to issues in both Parts 1 and 2 of the hearing.

DWR has also acknowledged that it will use the additional information developed for the supplemental EIR will to reinitiate consultation pursuant to Section 7 of the federal Endangered Species Act and Section 2081 of the California Endangered Species Act. (*See* DWR's Opposition to Motion at p. 4, l. 9-12) DWR's unsubstantiated assurances that "DWR does not expect substantial changes to the Biological Opinions or Section 2081 Incidental Take Permit issued in 2017" (*Id.*, ll 7-8) cannot be taken at face value. Since the Biological Assessment for WaterFix and the 2017 Biological Opinions and 2081 Incidental Take Permit are in the record, a failure to allow protestants the opportunity to review and comment on any new or revised documents would be prejudicial and violate due process requirements.

To reiterate, the Hearing Officers should either stay the WaterFix hearing until completion of the supplemental EIR and any new Biological Opinions and Incidental Take Permit or, alternatively, dismiss the petition with leave to reapply when the documents (including the long missing final financial assessment) are competed.

V. <u>Staging implementation of Waterfix will require known and likely unknown changes in conditions needed to protect legal users of water, fish and wildlife and the public interest.</u>

Question 6 of the February 8 Questions from Hearing Officers is a series of questions that ask:

6. Would any conditions necessary to adequately protect the rights of legal users, fish and wildlife, or the public interest be different if the WaterFix Project were constructed in stages? Would appropriate Delta flow criteria be different? Why or why not?

It is unclear whether these questions refer to physical objective or permit conditions, and objective criteria or permit criteria, respectively. We provide partial answers to both, *infra*.

On one level, staging project construction would not affect the flows that fish need or the physical water quality conditions necessary to protect fish and wildlife. However, as discussed

in Section II *supra*, how the Board might write certain permit conditions to achieve necessary flows or other physical conditions, including the Board's assignment of responsibility for meeting needed flows or physical conditions, could change depending on project configuration and operation of the SWP and CVP once WaterFix facilities were available for use.

In addition, permit conditions relating to construction could change. Staged construction could extend the temporal effect of construction impacts, and could require additional measures to protect legal users of water.

The source of stored water diverted at the NDD under a staged construction scenario might require additional protections for upstream reservoirs depending on pressures placed on those reservoirs by new operating regimes, both for water supply and for meeting Delta regulatory requirements.

#### **CONCLUSION**

For the reasons described above, the Hearing Officers should stay the WaterFix hearings until DWR completes its CEQA review and the jurisdictional agencies complete ESA and CESA consultation on the new project alternative.

Dated February 13, 2018.

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