

Work plan for Fiscal Year 2004

I. Program Title: Water Acquisition Program - CVPIA Sections 3406(b)(3), (d)(2) and (g)

II. Responsible Entities:

	Agency	Staff Name	Role
Lead	USBR	Mike Heaton	Program Manager
Co-Lead	USFWS	Dale Garrison	Refuge Water Supply Coordinator

III. Program Objectives for FY 2004

The major Water Acquisition Program (WAP) objectives are:

- A. To provide supplemental water supplies for refuges, referred to as Incremental Level 4, for critical wetland habitat supporting resident and migratory waterfowl, threatened and endangered species, and wetland dependent aquatic biota [CVPIA Sections 3406(b)(3) and (d)(2)].
- B. To acquire and manage instream flows in support of the Vernalis Adaptive Management Plan (VAMP) and the San Joaquin River Agreement (SJRA) [CVPIA Sections 3406 (g) and 3406(b)(3)].
- C. To acquire water to improve spawning and rearing habitat and increase migration flows for fall-, winter- and spring-run Chinook Salmon and steelhead, in support of the Anadromous Fish Restoration Plan [CVPIA Section 3406(b)(3)] and in coordination with the CALFED Environmental Water Program and Environmental Water Account

IV. Status of the Program

In FY03, the Water Acquisition Program (WAP) continued efforts to:

Provide supplemental refuge water supplies (Incremental Level 4) through annual purchases.

Provide additional instream flows in support of SJRA and VAMP.

Investigate the potential of using groundwater resources, including conjunctive use, to augment Incremental Level 4 supplies

Outstanding issues and work continuing in progress include:

Identification by the Service of water acquisition priorities for anadromous fish, pursuant to Section 3406(b)(3) of the CVPIA.

Financial constraints on the acquisition of 100% of Incremental Level 4 supplies due to:

- The increasing price of water.
- Inadequate funding due to limits of Restoration Fund.

Development and implementation of a plan for the long-term acquisition of Incremental Level 4 refuge water supplies.

Development of water right appraisal and acquisition technical guidelines

V. FY 2003 Accomplishments

A summary of water purchases and executed agreements for Fiscal Year 2003 follows:

Delivery Period	Seller	Quantity (AF)	Cost	Unit Cost per AF	Purpose
Oct-Dec 02	Merced ID	12,470	\$785,984 (FY02 Funds)	\$63.03	Fall attraction flows and habitat improvement in Merced and lower SJR
Apr-May 03	San Joaquin River Group Authority	up to 110,000	\$4,303,028	N/A	VAMP 31-day pulse flow at Vernalis in April-May
Apr – Aug 03	Oakdale ID	20,961	\$1,257,660 (FY02 Funds \$64,016)	\$60	Stanislaus River flows; lower SJR flows; water quality; any authorized New Melones purpose
May 03 - Dec 03	San Joaquin River Exchange Contractors	60,000	\$7,200,000	\$120.00	Contract yr 2003 Level 4 Refuge Water
Aug 03 – Dec 03	Westside Mutual Water Company, LLC	10,000	\$1,300,000	\$130.00	Contract yr 2003 Level 4 Refuge Water

VI. Tasks, Costs, Schedules and Deliverables

A. Narrative explanations of Tasks

1. Management Program. This is based on 4.49 positions for Reclamation and 1.25 positions for the Service. **Estimated Annual Cost** = \$794,496
2. Level 4 Refuge Water for FY04 (1st Quarter). No additional acquisitions of Incremental Level 4 water will be necessary during the 1st quarter of FY04; all water delivered during this period has been purchased with FY03 funds.
3. Merced I.D. SJRA Fall Flows (1st Quarter). This payment is for approximately 12,500 AF of instream flow in the Merced River in the fall months of 2003, under the SJRA. **Estimated Cost** = \$805,000
4. VAMP Spring Flows (2nd Quarter). San Joaquin River Group Authority delivers up to 110,000 AF for VAMP. Total payment obligation is approximately \$4,410,000. Federal share is approximately \$3,076,000. State Cost Share is \$1,334,000.
5. San Joaquin River Agreement/Oakdale ID Flows (2nd Quarter). Oakdale Irrigation District (OID) delivers up to 15,000 AF at \$60 per AF under the terms

of the SJRA. This water may be used for any authorized purposes of the CVP on the Stanislaus and San Joaquin Rivers. **Estimated Cost** = \$900,000.

6. San Joaquin River Agreement - Additional Flows from OID. OID may provide up to 11,000 AF at \$60 per AF under terms of the SJRA. This water represents the unused portion of OID's commitment of up to 11,000 AF for the spring pulse flow provided under VAMP. **Estimated Cost** = \$660,000
7. VAMP Double-Step Flows (2nd Quarter). Funds for this purpose are needed only if: 1) the current water year is classified as a double-step year based on the criteria given in VAMP, and 2) if meeting the VAMP flow objective requires more than 110,000 acre feet of supplemental water. If these flows are not required, all or part of these funds may become available for other CVPIA Program needs. **Estimated Cost** = \$2,820,000
8. VAMP Environmental Monitoring (2nd Quarter). This represents estimated VAMP monitoring costs. **Estimated Cost** = \$135,000
9. Level 4 Refuge Water Supplies (2nd, 3rd and 4th quarters). The need for Incremental Level 4 refuge water supplies for Contract Year 2004 (February 2004 through March 2005) is approximately 115,000 AF based on existing needs, conveyance capability, and ability to beneficially use supplemental water on the refuges. At an estimated cost of \$130 per AF, the acquisition cost of 115,000 AF is \$14,950,000. Based on the estimate of available funds remaining in the Fiscal Year 2004 budget after Tasks 1 through 8 are taken care of and providing a nominal amount for instream acquisition and planning, there will be enough money to purchase approximately 14,712 AF of Incremental Level 4 refuge water. Additional funds may become available in Fiscal Year 2004 for purchases of Level 4 water from the following sources: 1) reallocated State Cost Share for VAMP flows (Task 4), reallocated double-step funds (Task 7), and other de-obligated or realigned funds from the FY04 budget. **Estimated Cost** = \$14,950,000. **Available Funds** = \$ 1,912,504. **Unfunded Need** = \$13,037,496.

Note: Tasks 3, 4, 5 and 6 represent commitments made by the United States as signatory to the San Joaquin River Agreement (SJRA) which is implemented pursuant to State Water Resources Control Board Decision 1641. Tasks 6 and 7 are mutually exclusive program elements of SJRA/VAMP. If double-step flows (Task 7) are required, then OID's difference water (Task 6) is zero. Double-Step years are defined in the San Joaquin River Agreement as a function of the current and previous water year's hydrologic classification. This has a potentially significant impact on the amount of funding available for Level 4 acquisitions.

10. Potential Instream Flows Acquisitions. In order to meet CVPIA and anadromous Fish Restoration Program (AFRP) goals and objectives, there is a need to increase stream flows through acquisitions (by purchase, lease, or exchange) of available water rights. **Estimated Cost** = \$2,500,000. **Available Funds** = \$50,000. **Unfunded Need** = \$2,450,000.
11. Planning. Long term planning work for Level 4 and instream flow acquisitions will continue. There may be a need for additional technical and/or consulting support for Program staff. **Estimated Cost:** \$100,000

12. Technical guidelines for water right appraisals. In order to acquire water rights to accomplish CVPIA and AFRP goals and objectives, there is a need to develop technical guidelines to guide the water right appraisal and acquisition process.

Estimated Cost: \$50,000

Summary of Part VI:

Total Costs for Tasks 1 through 12 Proposed for FY04 Funding: **\$28,124,496

Total Proposed Budget Funding for FY04: \$12,637,000

Total Additional Funding Needed: \$15,487,496

**The "Total Cost" amount includes VAMP double-step and the OID difference water. Both of these costs will not be incurred in the same year. If 2004 is not a double-step year and those funds are made available to WAP, the funding shortfall would be reduced by \$2,820,000. If the state cost share on VAMP is made available to WAP, that would further reduce the funding shortfall by \$1,334,000.

B. Schedule and Deliverables

#	Task	Dates		Deliverable
		Start	Complete	
3	Merced I.D. SJRA Fall Flows	Oct 03	Oct 03	Up to 12,500 AF per SJRA
4	VAMP Spring Pulse Flows	Apr 04	May 04	Up to 110,000 AF per SJRA/VAMP
5	OID additional water	Apr 04	Sep 04	Up to 15,000 AF - typically fall fish flow water provided at New Melones Reservoir to be used for habitat improvement in Stanislaus and lower San Joaquin rivers
6	OID difference water from VAMP 2004 (per SJRA)	Jul 04	Sep 04	Up to 11,000 AF after VAMP flows
7	VAMP Double-Step Flows	Apr 04	May 04	Up to 47,000 AF per SJRA
8	VAMP Environmental Monitoring	Jan 04	May 04	N/A
9	Level 4 Refuge Water Contract Year 2004	Mar 04	Sep 04	Agreements for up to 14,712 AF

Schedule and Deliverables - Additional Funding Needs

#	Task	Dates		Deliverable
		Start	Complete	
9	Level 4 Refuge Water	Mar 04	Sep 04	Contract/Agreements for up to 100,288 AF
10	Instream Flow Acquisitions	Jan 04	Sep 04	Contracts/Agreements for up to 20 cfs instream flows
11	Planning	Oct 03	Sep 04	Continued long term planning
12	Guidelines	Oct 03	Sep 04	Technical guidelines for water right appraisals

C. Summary of Program Costs and Funding Sources.

#	Task	Total Cost	Funding Sources	
			RF	Prop 204
1	Program Management	\$794,496	\$794,496	
3	Merced I.D. SJRA Fall Flows	\$805,000	\$805,000	
4	VAMP Spring Pulse Flows	\$4,410,000	\$3,076,000	\$1,334,000
5	OID SJRA Flows	\$900,000	\$900,000	
6	Additional OID SJRA Flows	\$660,000	\$660,000	
7	VAMP Double-Step	\$2,820,000	\$2,820,000	
8	VAMP Environmental Monitoring	\$135,000	\$135,000	
9	Level 4 Refuge Water	\$1,912,504	\$1,912,504	
10	Instream Flow Acquisitions	\$50,000	\$50,000	
11	Planning	\$100,000	\$100,000	
12	Technical Guidelines	\$50,000	\$50,000	

D. CVPI A Program Budget

#	Task	FTE	Direct Salary and Benefits Costs	Contract Costs	Misc. Costs	Indirect Costs	Total Costs
1	Program Task	4.49	\$395,610	\$0	\$0	\$216,542	\$612,152
3, 5, 6, 10, 11, 12	Program Task (USFWS)	1.25	\$154,529	\$0	\$0	\$27,815	\$182,344
2, 3, 5, 6, 9, 10, 11, 12	BOR	4.29	\$367,703	\$4,477,504	\$0	\$214,536	\$5,059,743
4, 7, 8	VAMP Monitoring Double-Step	.20	\$27,907	\$4,410,000 \$135,000 \$2,820,000	\$0	\$2,006	\$4,439,913 \$135,000 \$2,820,000
Total by Category		5.74	\$550,139	\$11,842,504	\$0	\$244,357	\$12,637,000

VII. Future Years Commitments/Actions

SJRA/VAMP is a 12-year annual commitment (through 2010) to compensate members of the San Joaquin River Group Authority for the provision of up to 110,000 af of water to meet the VAMP flow requirements, plus up to 47,000 af in “double step” years, plus additional flows provided by Merced and Oakdale ID’s. Total cost in 2003 dollars was \$6,346,672, indexed through the end of the agreement.

Incremental Level 4 Refuge Water supply needs will increase incrementally in the future from the 2004 level of approximately 115,000 AF to approximately 125,000 AF in 2010 as refuge conveyance systems are constructed or upgraded to allow full CVPIA mandated Level 4 water supply requirements to be beneficially used on the refuges. Also, the price of water is expected to increase incrementally consistent with historic trends.

There will be an increasing need to acquire water by purchase of water rights or long-term leases, to increase instream flows to benefit fish and wildlife consistent with the goals and objectives of CVPIA and the Anadromous Fisheries Restoration Program. Additionally, there is a need to develop water right appraisal technical guidelines to help provide direction for the acquisition of water rights which is a key component to a successful water right acquisition program. The acquisition of water will be coordinated with the CALFED Environmental Water Program, which has similar program objectives.