

Sacramento-San Joaquin Bay-Delta Watershed

State Water Board Poised to Act on Critical Water Management Plan

The Sacramento-San Joaquin Bay-Delta watershed is an intricate network of waterways, islands and wetlands located where California's two largest rivers — the Sacramento and San Joaquin — converge. Spanning roughly 1,100 square miles, it is the largest freshwater tidal estuary on the West Coast of the Americas and serves as the transition point between Northern California's water-rich regions and the drier central and southern parts of the state.

It provides critical habitat for fish and wildlife, including numerous endangered and threatened species, and is the central hub of California's two largest surface water delivery projects — the State Water Project and the federal Central Valley Project. These projects provide water to more than 27 million Californians in the Bay Area, Central Valley, and Southern California. The Bay-Delta watershed also supports California's highly productive agricultural sector, providing water that irrigates millions of acres of farmland.

COMPETING ALTERNATIVES BEFORE STATE WATER BOARD

The State Water Resources Control Board (State Water Board) is responsible for adopting and updating the Bay-Delta Water Quality Control Plan, which establishes water quality measures and flow requirements needed to provide reasonable protection of beneficial uses in the watershed. Currently, the



State Water Board is nearing the final stages of completing an update to the Water Quality Control Plan for the Bay-Delta, a process that began in 2008 and that will have a significant impact on water availability for much of California. The update currently before the State Water Board involves the Sacramento basin and its tributaries, including the Feather River, Yuba River, American River and the Mokelumne River.

Before the State Water Board are two competing alternatives.

- One approach, proposed by State Water Board staff and referred to as the “regulatory pathway,” would mandate that 55% of flows within the Sacramento Valley watershed be unimpaired, or, in other words, dedicated as environmental flows and not available for storage or diversion.
- Another possible pathway is the Agreements to Support Healthy Rivers and Landscapes (HRL) program — formerly referred to as the Voluntary Agreements — that reflect a suite of commitments among state, federal and public water agencies. The HRL would use both flow and non-flow measures that help support native species and the environment and create a governance structure that oversees implementation and assists in decision-making.

AGREEMENTS TO SUPPORT HEALTHY RIVERS AND LANDSCAPES

The California Chamber of Commerce, along with many associations representing important uses of water in California, has encouraged the State Water Board to incorporate and advance the HRL program in the updated Delta water quality standards. The CalChamber believes that the HRL program provides the balance necessary to protect all beneficial uses of water, while the unimpaired flows approach would have devastating effects on water users and California's economy.

The HRL program goes beyond simply adding flow to streams and reaching the underlying ecosystem functions needed to restore fish populations. One of the critical aspects of the HRL program is the dedication of significant flows for the environment coupled with strategically releasing this water through a "functional flows" approach. This approach, rather than restoring natural flows of a river, focuses on maintaining functions of a river that support ecosystem health, such as sediment movement, water quality, and timing flows based on species migration and reproduction.

Functional flows also rely on suitable physical habitat to promote the benefits to fish and wildlife, which is why the HRL program includes major investments in habitat restoration projects. Scientific study on the matter shows that a combination of habitat and flow provides substantial system-wide benefits.

Additionally, the Public Policy Institute of California (PPIC) has touted the value of a functional flows approach, stating that "[B]y coupling physical habitat improvements with key aspects of flow variability, functional flows offer a more effective means of improving ecosystem health than conventional approaches."

To ensure these efforts are having their desired effect on the Delta watershed, the HRL program would promote transparency and accountability through a collaborative science program that relies on the latest, best available knowledge and an inclusive governance structure that encourages conversation, collaboration, and rapid response to changing conditions. One of the key features of this program is adaptive management, which would allow parties to implement the program, monitor progress, and make real-time adjustments based on the latest data. Finally, the parties to the agreements are committing more than \$2.9 billion to fund a robust science program, construct new habitat, water purchases, crop idling, and other actions.

The more reasonable flow measures in the HRL program

would assist in ensuring that water users of all types can better predict water availability and plan accordingly. For example, developers can better model water availability to serve new housing developments, which are legally required to provide proof that water will exist to serve the planned project. Also, agricultural businesses can better plan for the appropriate acreage to plant, and this increased certainty helps support related businesses. Overall, this alternative minimizes negative impacts on the economy while achieving ecosystem benefits.

UNIMPAIRED FLOWS ALTERNATIVE

In contrast, the unimpaired flows approach would lead to significant adverse impacts on water supply reliability while failing to provide investments in necessary habitat restoration projects. For example, the State Water Board draft staff report analysis of the unimpaired flows approach estimates that the annual Sacramento/Delta water supply to the San Joaquin Valley region would be reduced on average by 96,000 acre-feet in wet years and by 707,000 acre-feet in dry years. This would mean an average reduction of more than 22% in deliveries to San Joaquin Valley urban users. Less water applied for irrigation of agricultural lands would in turn result in reductions of incidental groundwater recharge and decreased groundwater levels compared to baseline conditions. An average of 624,000 acre-feet of additional groundwater pumping would be necessary to make up for lost surface water deliveries under the unimpaired flows scenario, which would significantly undermine the ability of groundwater sustainability agencies to reach the sustainability goals of the Sustainable Groundwater Management Act (SGMA).

Unimpaired flows also would exacerbate water affordability challenges. Reduced water supplies would increase costs per acre-foot of Central Valley Project and State Water Project water. The reductions also would require water agencies to invest in more expensive alternative supply sources, increasing the cost of water.

Not only would the negative consequences of the unimpaired flows approach reverberate throughout local economies in California; that flawed approach would fail to improve the state of ecosystems in the Sacramento/Delta watershed. In the past, flow-only efforts to manage the Bay-Delta have not worked as desired.

In the intervening decades, both species and water supply reliability have declined in the Bay-Delta and, by extension, throughout the state. The HRL program changes course and offers a different approach that is innovative and aims to

improve environmental conditions more quickly and holistically than traditional top-down regulatory requirements.

NEXT STEPS

State Water Board staff have said they expect the Board to decide which option it will adopt in the updated Bay-Delta plan in the summer or fall of 2025. In the meantime, the State Water Board held a series of workshops in November and December 2024, and January 2025 to discuss both alternatives. In October 2024, the State Water Board released its latest

update to the Bay-Delta plan, which focused on proposed implementation measures for the competing alternatives.

CALCHAMBER POSITION

The CalChamber supports the Agreements to Support Healthy Rivers and Landscapes because it will provide more certainty to communities, farms and businesses that depend on a reliable water supply. The CalChamber will continue to encourage the State Water Board to incorporate this alternative into the updated Bay-Delta plan.



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