

May __, 2014

The Honorable _____
California State Capitol, Room ____
Sacramento, CA 95814

Re: Source Area Water Bond Priorities

Dear Assembly member/Senator:

Thank you for your continued efforts to ensure a safe, clean and reliable water system in California through development of a 2014 water bond.

We appreciate the difficulty of this task, given the many factors that must be considered. One indisputable factor, however, is: the **importance of the source water areas to the overall statewide water system**.

Most of the state's water originates in the foothill and forested source areas of the Sierra Nevada, southern Cascade, Coastal ranges and inland mountains. Rain and snow is captured in the "free reservoir" of the higher-elevation watersheds and then released naturally via snowmelt into rivers and reservoirs. Between 65% and 75% of California's developed supply water originates in the forests of the Sierra-Cascade region, including the majority of freshwater inflow to the Delta, California's water "hub," serving more than 25 million California households and one-third of the state's irrigated farmland.

If we fail to protect our source water supplies through better forest management, fire risk reduction, and restoration of impacted rivers, wetlands and meadows, we stand to lose the foundation of California's complicated water storage and delivery system.

Source Area Priorities

As water bond negotiations continue, we ask that you support and advocate for the following three priorities directly affecting your district – the Sierra-Cascade (please see the Appendix for potential bill language):

- **Sierra's Statewide Significance:** recognize the Sierra-Cascade as an area of statewide significance because it provides 65-75% of the state's developed water supply and the majority of the freshwater inflow to the Delta; and, in recognition of the Legislature's creation of the Sierra Nevada Conservancy (SNC) as the state agency responsible for strategic direction and coordination in this headwaters region, allocate at least \$125 million to the SNC to improve watershed conditions that threaten the reliability, supply and quality of California's water.

- **Mountain Counties Overlay (MCO):** include/maintain a specific allocation of at least \$44 million under the Integrated Regional Water Management (IRWM) section for the Mountain County Overlay area, as defined by DWR in its California Water Plan (Bulletin 160), to ensure necessary infrastructure and restoration investment in the state's primary watershed area.
- **Legacy Mining Contamination:** include a specific allocation of \$50 million in a watershed health/water quality section for prevention and remediation of mercury and other documented water quality impairments associated with legacy mining, with a focus on the hard-hit source areas of the Sierra-Cascade region.

Despite late-season rain and snow, we are in the midst of one of the driest water years on record. The water content in the northern Sierra snowpack – which is what fills the state's major reservoirs – is only 7% of average as of May 1 according to the Department of Water Resources. After three dry years in a row, and with the bulk of this year's wet season behind us, the primary reservoirs feeding the State and federal water projects are only about half full and can expect very little in the way of additional snowmelt this year.

The drought is going to have a dramatic effect on the state's economy, causing harm to farmers and ranchers, industrial interests and business, the state's millions of residents and the natural environment and resources we depend on.

Along with drought comes fire. Drought conditions can lead to more severe fire seasons, increasing the risk of mega-fires like last year's Rim Fire, the third largest in California history. Many water source areas around the state have high to very-high risk of fire already due to excess biomass material, which can lead to larger, more intense fires that destroy lives and property, impact water quality, and disrupt water and power distribution, among other effects.

The values provided by our forested watersheds statewide benefit us all; therefore, the State should make protection of those areas a top priority. Sustainable forest management, including fuels treatment, wet meadow restoration and other practices, can help fulfill the state's objectives related to water quality protection, water supply reliability and adaptation to changing conditions in all the source water areas of statewide significance.

Californians depend on clean, reliable supplies of water, along with the many other benefits provided to us by our source watersheds. Fixing the state's water system will take decades; but we have real and documented needs right now. Investment in the source areas is one in a series of linked actions needed over the next 10-20 years to secure our water for the future. Investing in California's primary watershed should be a high priority for the state, regardless of which bill becomes the final vehicle for a 2014 water bond.

If you have any questions, need additional information, or if we can be of any assistance, please contact any of us at the numbers listed below.

Your consideration is greatly appreciated.

Sincerely,



John Kingsbury, Executive Director
Mountain Counties Water Resources Association
 530.957.7879



Steven R. Frisch, President
Sierra Business Council
 530.582.4800



Elizabeth J. Martin, Executive Director
The Sierra Fund
 530.265.8454



Jeannette Tuitele-Lewis, Executive Director
Sierra Foothill Conservancy
 559.855.3473



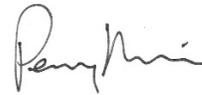
Jeff Darlington, Executive Director
Placer Land Trust
 530-887-9222



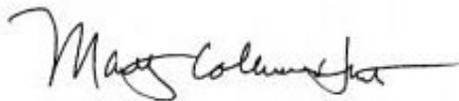
Sopac Mulholland, Executive Director
Sequoia Riverlands Trust
 559.738.0211



Brian Kermeen
Tuolumne County Land Trust
 209.743.2033



Perry Norris, Executive Director
Truckee Donner Land Trust
 530.582.4711



Marty Coleman-Hunt, Executive Director
Bear Yuba Land Trust
 530-272-5994



Paul Hardy, Executive Director
Feather River Land Trust
 530.283.5758

Jonathan Kusel, Ph.D.
Sierra Institute for Community & Environment

Sierra-Cascade Land Trust Council

530.284.1022

Cc:
Secretary John Laird, secretary@resources.ca.gov

Encl. Appendix

APPENDIX

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| SIERRA'S STATEWIDE SIGNIFICANCE |
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(for Statewide/Regional Water Supply, Ecosystem or Rivers, Lakes, and Streams section)

Proposed bill language:

Sierra Nevada Region – Area of Statewide Significance

The legislature finds and declares the following:

- (a) The Sierra Nevada Region is an important part of the state's economy as the source of more than 65 percent of California's developed water supply.
- (b) The Region supplies the majority of the freshwater that flows into the Sacramento-San Joaquin Delta.
- (c) As California's principal watershed, the Region is the critical source of water for municipal, agricultural and industrial use throughout California.
- (d) The primary headwaters of the State Water Project and the federal Central Valley Project are found in this region.
- (e) Increasing temperatures and changes in precipitation patterns will likely impair California's capacity to ensure clean, safe, reliable water for communities, farms and businesses. Such changes will likely lead to increased length and intensity of wild fires in the region and will likely make natural storage in the form of snowpack and meadows more important.
- (f) Predictions of sea level rise will put added importance to the fresh water delivered to the Sacramento-San Joaquin Delta in order to meet salinity standards.
- (g) The Region has a number of significant existing conditions, such as unhealthy forests, degraded meadows and the presence of mining legacy mercury that threaten the reliability, supply and quality of California's water supply.

Of the funds made available by this Chapter, one hundred twenty-five million dollars (\$125,000,000) shall be made available to the Sierra Nevada Conservancy for support of the following activities in the Sierra Nevada Region necessary to protect, restore and enhance water reliability, quality and supply:

- (a) Forest treatments to improve forest health and reduce the risk of large, damaging fires and associated impacts such as loss storage capacity in reservoirs due to sedimentation and degraded water quality;
- (b) Forest, stream and meadow restoration to increase water yield and promote natural storage provided by meadows and the snow pack;
- (c) Post-fire restoration projects to improve watershed health, water quality and flood control capacity;
- (d) Development and support of the utilization of biomass removed as a part of forest restoration activities.

The Sierra Nevada Conservancy shall, in consultation with the Natural Resources Agency, develop a regional watershed investment plan for use of these funds, consistent with the statutory authority of the Conservancy. The plan shall identify how the expenditures would meet

regional needs, consistent with statewide priorities as identified in statute, executive order or other authorized plan and consistent with the intended purposes of this Chapter. The plan will describe how the proposed expenditures will:

- (i) increase coordination of state agency investments to restore, protect, and maintain the natural and recreational resources of their respective regions;
- (ii) advance statewide goals and priorities, as relevant and appropriate, in their respective regions;
- (iii) integrate and leverage federal, state, and local agency goals, priorities, and investments in the region; and
- (iv) be tracked and reported based on metrics identified to meet the goals of this chapter.

MOUNTAIN COUNTIES OVERLAY

(for the Water Supply Reliability, Drought Preparedness and/or IRWM section)

Proposed bill language:

... For purposes of this subdivision, the Mountain Counties Overlay is not eligible for funds from the Sacramento River hydrologic region or the San Joaquin River hydrologic region. The department may recognize multiple integrated regional water management plans in each of the areas allocated funding. Funds made available by this chapter shall be allocated as follows:

(12) Mountain Counties Overlay: \$44,000,000.

[NOTE: SB 1250, AB 2686, AB 2043, AB 2554 and other water bond bills do include a separate Mountain Counties Overlay allocation.]

Justification for a Separate Mountain Counties Overlay Allocation

DWR developed the concept of “overlays” in 2005 to acknowledge areas of statewide significance where common water issues and planning/management needs cross hydrologic boundaries. DWR overlay criteria include:

1. the area is of statewide significance — meaning that water management strategies and actions taken in one area affect much of the remainder of the state; and
2. common water management conditions exist in the area — meaning that issues and integrated planning opportunities span multiple hydrologic regions.

In 2005 the State recognized the 16-county “Mountain Counties” area as an overlay due to its statewide significance as a major source of the state’s water supply and because of the unifying economic and environmental drivers that span three hydrologic planning areas and two hydrologic regions. Since 2005 the California Water Plan has included detailed regional reports on both the 10 hydrologic regions and the two overlay areas. A separate allocation for this important area levels the playing field, allowing rural IRWM groups, especially those in

disadvantaged communities or economically distressed areas to compete against each other for the best projects in the region, rather than having to compete against the larger urban and Valley IRWMs for the same dollars.



LEGACY MINING CONTAMINATION

(for the Regional Watershed Protection/Water Quality Outside the Delta section)

Proposed bill language:

From the funds allocated for regional watershed protection and water quality projects outside the Delta, fifty million dollars (\$50,000,000) shall be made available to _____ for eligible projects, including those that reduce pollution or contamination of rivers, lakes, streams, coastal waters, including prevention and **remediation of mercury contamination from legacy mines.**

Justification for Specific Allocation for Remediation of Mercury Contamination from Legacy Mines

Mercury in California is both naturally occurring and introduced by mining activities. Cinnabar, the mineral form of mercury, occurs naturally in many areas on the west side of California's Central Valley, in the Coast Range, the Cascade Range, and the eastern side of the Sierra, and from hydro-thermal systems such as in the Lassen area.

Mercury mines in the Coast Range still discharge mercury into surface waters and thence downstream into the San Francisco Bay and Delta. Mercury was mined from this area, particularly from the mountains around San Jose and Clear Lake, and transported to the Sierra Nevada for use in thousands of gold mining operations. Recent studies indicate that runoff and erosion from gold mines in the Sierra are a significant source of mercury to the Sacramento Delta. Total mercury loading estimates for several sources in the Sacramento River watershed include: urban runoff (4 kg/yr); flow from mineral springs (18 kg/yr); runoff and erosion from mercury mine sites (3 kg/yr); and runoff and erosion from gold mine sites (61 kg/yr) – by far the largest source. In fact, more than 96% of mercury loading to the Bay/Delta flows from the Sierra and Inner Coast Range, nearly all of which comes from legacy mines.

Mercury impacts downstream water systems from the Sierra to the Sea, putting an enormous fiscal strain on local government systems. Recent research published by UCSB scientist Dr. Michael Singer states that mercury from these sources will be emitted from Sierra watersheds for 10,000 more years unless something is done to address this water quality source. Stopping the flow of this contaminant into the water system at its source, instead of allowing it to continue should produce enormous savings for future Californians.

STATEWIDE FOREST/FUELS MANAGEMENT

(for Statewide/Regional Water Supply, Ecosystem or Rivers, Lakes, and Streams section)

Justification for Statewide Forest/Fuels Management

Management in the forested source watersheds can have a major impact on the State and Federal water projects. Currently, forests are significantly more dense than they used to be, with upwards of 260 trees per acre instead of the more sustainable 50-60 per acres (Scott Stephens). Increased competition makes trees more susceptible to pests and drought, increasing fire risk. Forest thinning, understory management and wetland and meadow restoration increase resiliency and allow the forested headwaters to hold and store precipitation for slower release of water over time.

In addition, many of the major Sierra and other source watersheds have high to very-high risk of wildfire due to fuel build-up (small trees, branches, downed wood, etc., that carry fire into the tree crowns), changing forest composition, and warmer, drier weather conditions, all of which make forests more susceptible to large, intense fires. Wildfires are increasing in size, severity and frequency, with the top 10 wildfires in California occurring in the last 20 years, according to CalFIRE.

Large, damaging wildfires can have severe impacts on the state's water system by increasing sedimentation, which is costly to treat and can reduce reservoir storage capacity, introducing other contaminants to surface and groundwater, burning up storage and distribution facilities, and disrupting delivery. Prioritizing forest and fuels management activities would guarantee State investment in projects necessary to protect water quality and water supply reliability, as well as adapt to changing conditions, in California's source water areas of statewide significance.

Forest management and fuel reduction projects funded through a water bond would provide co-benefits that could help the State meet other objectives, as well, including: reducing air emissions by lowering the risk of catastrophic fire; decreasing greenhouse gas emissions and meeting alternative energy production goals by using excess forest material as an alternative fuel source; improving habitat for species of concern; and supporting local economic sustainability through ongoing recreation and tourism.

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