

To: Responsible and Trustee Agencies, Stakeholders and Interested Parties

Subject: Notice of Preparation (NOP) of a Draft Program Environmental Impact Statement/Environmental Impact Report (PEIS/EIR) for the San Joaquin River Restoration Program.

CEQA Lead Agency: California Department of Water Resources

NEPA Lead Agency: The United States Bureau of Reclamation

Pursuant to the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA), the Bureau of Reclamation (Reclamation) and the California Department of Water Resources (DWR) propose to prepare a PEIS/EIR for the San Joaquin River Restoration Program (Program). The proposed Program is expected to be implemented by Reclamation, Fish and Wildlife Service (FWS), the National Marine Fisheries Service (NMFS), DWR, and the California Department of Fish and Game (DFG).

Background:

In 1988, a coalition of environmental groups, led by Natural Resources Defense Council (NRDC), filed a lawsuit challenging the renewal of the long-term water service contracts between the United States and the Central Valley Project, Friant Division contractors. After more than 18 years of litigation in this lawsuit, known as Natural Resources Defense Council, et al., v. Kirk Rodgers, et al., a Settlement was reached. On September 13, 2006, the Settling Parties executed their agreement on the terms and conditions of the Settlement, which was subsequently approved by the Court on October 23, 2006. The "Settling Parties" include the NRDC, Friant Water Users Authority (FWUA), and the Departments of the Interior and Commerce.

The Settlement is based on two parallel Goals:

- To restore and maintain fish populations in "good condition" in the main stem of the San Joaquin River below Friant Dam to the confluence of the Merced River, including naturally reproducing and self-sustaining populations of salmon and other fish (Restoration Goal); and
- To reduce or avoid adverse water supply impacts to all of the Friant Division long-term contractors that may result from the Interim Flows and Restoration Flows provided for in the Settlement (Water Management Goal).

Under the Settlement, Restoration Goal implementation includes three essential elements. First, certain improvements providing for channel capacity, fish habitat needs, related flood protection, fish passage and fish screening are required. Second, flow releases at Friant Dam are required to create conditions conducive to Restoration. Third, fish populations are to be restored and maintained in "good condition" in the San Joaquin River below Friant Dam to the confluence of the Merced River.

Under the Settlement, Water Management Goal implementation includes two critical elements. First, it requires the development and implementation of a plan to recirculate, recapture, reuse, exchange, or transfer water released for Restoration Flows consistent with certain criteria that are identified in the Settlement. Second, it creates a Recovered Water Account (RWA) that provides an opportunity to make water available to Friant Division long-term Contractors who have had reductions in water supply as a direct result of the Interim or Restoration Flows at a reduced water rate in certain wet hydrologic conditions.

Project Description:

The San Joaquin River is bounded by the Sierra Nevada on the east and Coast Ranges on the west; its southern boundary is the Tulare Lake basin, and its northern boundary is the Delta near Stockton. The river flows to the north of the metropolitan area of Fresno, and passes near the communities of Biola, Mendota, Firebaugh, Dos Palos, and Los Banos, within the counties of Fresno, Madera, and Merced. The project area is defined as approximately 150 miles of the San Joaquin River from Friant Dam at the upstream end near the town of Friant, to the confluence with the Merced River at the downstream end, and the Friant Service Area.

Within the approximately 150-mile section of the San Joaquin River from Friant Dam to the Merced River confluence, the river passes through several reaches differentiated by their geomorphology and resulting channel morphology, and by their human-imposed infrastructure along the river.

The Settlement states that the Secretary of the Interior will implement the terms and conditions of the Settlement in consultation with the Restoration Administrator. Additionally, the Settling Parties agreed that implementation of the Settlement will also require participation of the State of California (State). Therefore, the Settling Parties entered into a Memorandum of Understanding (MOU) with the State (by and through the California Resources Agency, DWR, DFG, and the California Environmental Protection Agency) regarding the State's role in the implementation of the Settlement. The "implementing agencies", which includes Reclamation, FWS, NMFS, DWR, and DFG, are responsible for the management of the Program to implement the Settlement.

Interior agencies are authorized to work on initial planning and environmental review activities related to the Settlement under the Central Valley Project Improvement Act, P.L. 102-575, Title XXXIV. Additional authorizing legislation will be needed to fully implement the Settlement. Draft federal legislation was included in the Settlement, as Exhibit A. On January 4, 2007, legislation entitled "The San Joaquin River Settlement Act" was reintroduced in both houses of Congress to authorize the Secretary to implement the Settlement. The Settling Parties have committed to supporting the pending federal legislation.

The Program activities would be carried out in 3 stages. Stage 1 focuses on a programmatic planning and environmental review process, which would include formulating and evaluating reasonable alternatives and identifying significant data needs and analyses required during Stage 2, as part of the site-specific NEPA/CEQA process. The Program will implement an alternatives

development and screening process to consider all reasonable options for implementing the actions and achieving both of the Goals defined in the Settlement. The results of the alternatives formulation process will be documented in an Initial Program Alternatives Report as part of the programmatic environmental documentation consistent with NEPA and CEQA, and will also include the completion of site-specific environmental review and documentation to the extent it can be feasibly accomplished at that time. During the alternatives formulation process for the PEIS/EIR, the Program intends that complete alternatives will ultimately include actions to meet both the Restoration Goal and the Water Management Goal.

Stage 2, titled Initiation of Interim Flows, Salmon Reintroduction, and River Improvements, includes the release of Interim Flows from Friant Dam into the San Joaquin River. Monitoring programs will be implemented to obtain data to facilitate implementation of the Restoration Goal. The releases shall be consistent with the Settlement and the Interim Flow and monitoring programs developed in Stage 1. Stage 2 shall also include the completion of any required site-specific environmental review and documentation, detailed engineering and designs to initiate construction contracts, permitting, and real estate acquisitions required for implementation. Spring-run and fall-run Chinook salmon will be introduced to the San Joaquin River by December 31, 2012. Stage 2 shall conclude in December 2013 after all Phase 1 priority construction activities identified in Paragraph 11(a) of the Settlement have been completed.

Stage 3, titled Initiation of Restoration Flows, and would begin with the full Restoration Flow releases from Friant Dam. This stage shall also include construction of the remaining Program features that were not Phase 1 priority actions, and the operation and maintenance of project facilities.

Probable Environmental Effects:

The PEIS/EIR will analyze potential physical and biological impacts to the environment associated with implementation of the Program alternatives. An assessment of potential cumulative impacts associated with implementation of the Program will also be included.

Potential environmental impacts could affect the following resources: hydrology and water quality and water supply, flood control, land use and agricultural resources, mineral resources, noise, public utilities and power consumption, biological resources including wetlands and rare and sensitive plant and animal species, geology and soils, socioeconomics and population and housing, transportation and traffic, air quality, cultural resources, aesthetics, flood protection, and recreation.

Scoping Process:

DWR requests comments from State, Federal, and local agencies with respect to the scope and content of the environmental information which is germane to each agency's statutory responsibilities in connection with the proposed San Joaquin River Restoration Program. In order to ensure that the full range of alternatives is included in the PEIS/EIR and that all pertinent issues are addressed, DWR also invites written comments from all other interested parties. All comments received, including names and addresses, will be made available to the public. Due to the time limits mandated by CEQA Guidelines section 15082(b), written

comments on the scope of the PEIS/EIR must be sent at the earliest possible date but no later than 30 days after receipt of this NOP.

Please send comments to:

Karen Dulik, Senior Environmental Scientist
California Department of Water Resources
San Joaquin District
3374 E. Shields Ave.
Fresno, California 93726

Scoping Meetings:

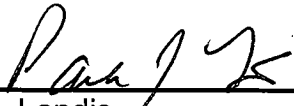
A series of scoping meetings have been scheduled to solicit agency and public input on the scope of the Program, proposed alternatives, and to ensure incorporation of any issues and concerns that should be addressed in the PEIS/EIR. Meeting dates, times and locations are as follows:

DATES and ADDRESSES:

- Tuesday, August 28, 2007, 6:00 p.m. to 8:30 p.m., Tulare, CA
 - International Agri-Center, Banquet Hall, 4450 S. Laspina St., Tulare, CA 93274
- Wednesday, August 29, 2007, 6:00 p.m. to 8:30 p.m., Fresno, CA
 - Piccadilly Inn, University, Ballroom, 4961 North Cedar Ave., Fresno, CA 93726
- Thursday, August 30, 2007, 6:00 p.m. to 8:30 p.m., Los Banos, CA
 - Merced County Fairgrounds, Germino Room, 403 F St., Los Banos, CA 93635
- Monday, September 10, 2007, 1:30 p.m. to 4:00 p.m., Sacramento, CA
 - Library Galleria, 828 I St., Sacramento, CA 95814

FOR FURTHER INFORMATION CONTACT: Please see the website at <http://www.restoresjr.com> or contact: Ms. Margaret Gidding, Bureau of Reclamation, 2800 Cottage Way MP-140, Sacramento, CA 95825, by telephone at 916-978-5104, TDD 916-978-5608 or via fax at 916-978-5114 or Karen Dulik, California Department of Water Resources, San Joaquin District, 3374 E Shields Ave. Fresno, California 93726: telephone (559) 230-3361, e-mail: kdulik@water.ca.gov.

If special assistance is required at one of the scoping meetings, please contact Ms. Margaret Gidding via the phone number or e-mail listed above prior to the meetings.



Paula J. Landis
Chief, San Joaquin District
California Department of Water Resources



Date