THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Board Report

Bay-Delta Resources

- **Bay-Delta Management Report**

Summary

This report provides a summary of activities related to the Bay-Delta for June 15, 2026 – July 15, 2026.

Purpose

Informational

Attachment

Delta Conveyance Project Quarterly Update

Detailed Report

Decide on Sites Reservoir and Protect our Bay-Delta Interests

Delta Conveyance Project

The U.S. Army Corps of Engineers (USACE), Sacramento District, finalized its Record of Decision for the proposed Delta Conveyance Project (DCP), completing the agency's programmatic environmental review under the National Environmental Policy Act. The decision concludes one phase of the federal review process and allows USACE to begin evaluating future permit applications for project components within its jurisdiction.

On July 13, 2026, the California Department of Water Resources (DWR) posted a draft revised certification of consistency with the Delta Plan for a 10-day public review period. The revised certification addresses the two issues the Delta Stewardship Council (Council) remanded to DWR this spring after hearing ten appeals of the original certification. Comments on the draft revised certification were due July 23, 2026. On July 24, 2026, DWR submitted the revised certification of consistency to the Council. Any appeals must be filed by August, and the Council must decide them by mid-December. See **Attachment 1** for additional details.

Delta Conveyance-related Joint Powers Authorities

At its June 15, 2026, meeting, the Delta Conveyance Design and Construction Authority (DCA) board adopted a resolution approving the California Environmental Quality Act Responsible Agency Findings related to the First Addendum and Second Addendum to the Final Environmental Impact Report for the DCP.

The DCA board approved the FY 2026/27 final budget of $65 million, including a $1.06 million unallocated reserve. An additional $3.5 million contingency is included for geotechnical work and executive support.

The DCA board adopted a resolution recognizing and thanking Director Jacquelyn McMillian for her service to board.

Sites Reservoir

At the June 26, 2026, Sites Reservoir Committee and Authority board meeting, the Reservoir Committee and Authority board approved storage capacity reassignments with Colusa County, Glenn Colusa Irrigation District, Reclamation District 108, and various Zone 3 agencies voluntarily reassigning 98,274 acre feet of storage

allocation to the U.S. Bureau of Reclamation (Reclamation) to be consummated upon the execution of the partnership agreement and benefits and obligations contracts.

The Reservoir Committee and Authority board approved the tentatively agreed partnership agreement terms with Reclamation and authorized the Executive Director to execute the agreement following final coordination with the Benefits and Obligations Contract, including language specifying Reclamation's reassignment authority of up to 16 percent storage capacity.

Advance Science and Multi-Benefit Solutions That Improve the Sustainability of the Delta and Inform Regulation

Metropolitan's Board of Directors awarded the Webb Tract Wetland Restoration Project construction contract to Wood Bros, Inc. on July 14, 2026. At the Delta Conservancy's July 22 board meeting, an additional approximately $13.0 million in funding was released to Metropolitan for the Webb Tract Wetland Restoration Project—bringing the total funding released to Metropolitan by the Delta Conservancy for this project to $20.9 million. Final negotiations for the Webb Tract Rice Conversion Project lease were completed in mid-July. Grading for the rice lease is expected to begin August 1, 2026. The first rice crop is expected to be planted in spring 2027.

Staff hosted a table at the Delta Plan Interagency Implementation Committee's Delta Restoration Forum.

Metropolitan staff completed the 2025 Scientific Achievements Report. Milestones highlighted were the Delta Smelt and Native Species Preservation Project, Pesticide Risk Model, Structured Decision Making for Delta Smelt, Landscape Management of Webb Tract, and Forest Health Pilot Studies. The report highlights Metropolitan staff's implementation of Board Policies regarding management, relevant science and collaborations while being innovative.

Metropolitan staff published a manuscript with researchers at Southern Illinois University and UC Davis on Chinook Salmon contaminant tissue burden during the outmigration of the Sacramento San Joaquin Delta. Results showed elevated tissue burden of contaminants at toxic levels over time and identified hot spots such as the Feather River and San Joaquin River. Results suggest that additional management of contaminants in those rivers, as well as shorter migration times, would improve outmigration survival.

Bay-Delta Initiatives
Quarterly DCP Activity Report – July 2026

DELTA CONVEYANCE PROJECT QUARTERLY UPDATE

KEY PERMITS AND CERTIFICATIONS

WATER RIGHTS PROCESS

- On February 23, 2024, the Department of Water Resources (DWR) filed a Change in Point of Diversion Petition with the Water Board for a change in its water rights to add two additional points of diversion on the Sacramento River for the Delta Conveyance Project (DCP). The Water Board is determining whether and under what conditions that new points of diversion may be used to divert SWP water supplies.
- The Administrative Hearing Office's proceeding regarding the petition began on February 18, 2025.
- The opposing parties submitted their rebuttal testimony in April 2026.
- Cross-examination of protestants began in June 2026.
- The hearing will likely be completed by the end of 2026, with a Water Board decision coming in 2027.

CALIFORNIA ENDANGERED SPECIES ACT INCIDENTAL TAKE PERMIT

- The California Endangered Species Act (CESA) allows the approval of "take" of state-protected species during otherwise lawful activities. The incidental take permit authorizes a certain level of "take" associated with construction and future operation of the DCP.
- DWR received the Incidental Take Permit for complying with the CESA in February 2025.
- This action authorized DWR to take listed species that are state-protected under CESA, so long as impacts are minimized and fully mitigated through conditions in the permit.
- DWR prepared Addendum 1 to the Final Environmental Impact Report in February 2025 to reflect refinements associated with the permit conditions and updated operational considerations.
- There is a pending amendment to the CESA Incidental Take Permits; however, the California Department of Fish and Wildlife (CDFW) has not publicly finalized any amendments to date.
- DWR is working with CDFW, as necessary, through the permit's term to request additional amendments if conditions change due to new biological information, changes in listing status of covered species, or necessary updates to minimization or mitigation measures.

DELTA PLAN CERTIFICATION OF CONSISTENCY

- The Water Code requires DWR to submit a certification that the DCP is consistent with the applicable policies of the Delta Plan before it may initiate implementation of the project.
- DWR filed a certification of consistency with the Delta Plan on October 17, 2025.
- Ten groups filed appeals with the Delta Stewardship Council (Council), which heard the appeals on February 26-27, 2026.
- On April 23, 2026, the Council voted to deny most appeals and remand DWR's certification on two narrow Delta Plan policy issues.
- On July 13, 2026, DWR posted a draft revised certification of consistency addressing the two remanded areas for a 10-day public review period.

- Comments on the draft revised certification are due July 23, 2026, after which DWR will submit the revised certification of consistency to the Council.
- Anyone may file an appeal with the Council within 30 days, after which the Council has 60 days to hold a hearing, after which the Council must issue a written determination within 60 days. Thus, the appeal process should be complete by the end of 2026, as DWR anticipated.

NATIONAL ENVIRONMENTAL POLICY ACT

- National Environmental Policy Act (NEPA) compliance is required when a major federal action, like a federal permit, is requested. NEPA mandates the consideration of the environmental effects of approving the federal permits required for DCP.
- The U.S. Army Corps of Engineers' construction Environmental Impact Statement was finalized on November 21, 2025.
- The U.S. Army Corps of Engineers, Sacramento District, finalized its Record of Decision on July 8, 2026.

ENDANGERED SPECIES ACT BIOLOGICAL OPINIONS

- The Endangered Species Act (ESA) allows the approval of "take" of federally protected species during otherwise lawful activities. The biological opinions and associated incidental take statements authorize a certain level of "take" associated with construction and future operation of the DCP.
- The Biological Opinions for the Long-Term Operations of the Central Valley Project and the State Water Project, which included operations of the DCP programmatically, were issued on November 8, 2024 (U.S. Fish and Wildlife Service) and December 6, 2024 (National Marine Fisheries Service).
- USFWS released the final project-level Biological Opinion for construction on March 9, 2025.
- NMFS released the final project-level Biological Opinion for construction on May 29, 2026.
- Metropolitan's Board authorized $141.6 million in December 2024 to fund pre-construction work. The funding agreement amendment was executed in June 2025 and was recently updated in June 2026 to better align with the work planned.
- DWR, Delta Conveyance Authority (DCA) and key contractors are negotiating amendments to the Joint Exercise Powers of Agreement to clarify roles, responsibilities, and allocation of risk during implementation.
- Delta Conveyance Finance Authority (DCFA) board members directed staff to develop a proposal to wind the organization down, as DWR is intended to finance the project; therefore, the DCFA is no longer needed.
- Metropolitan staff are evaluating the potential for providing ongoing financial services during the implementation phase of the project. Metropolitan has provided financial services, for which it is compensated, since 2018. During implementation, the number of expenditures and complexity of transactions would increase. If Metropolitan were to continue to provide financial services, additional staff and resources would be required. Alternatively, the DCA could competitively procure financial services from a vendor.

CALIFORNIA ENVIRONMENTAL QUALITY ACT

- California Environmental Quality Act (CEQA) compliance is required when a state action, like building and operating the DCP or seeking associated state permits, is requested. CEQA mandates the consideration of the environmental impacts, identifies mitigation measures, provides public transparency, supports informed decisions, and establishes the legal environmental record for project approval and permitting.
- DWR certified the Final Environmental Impact Report and issued the Notice of Determination in December 2023, completing the necessary CEQA review for the project.
- On February 13, 2025, DWR adopted an Addendum to the Final EIR evaluating refinements to the operational criteria in the CESA permitting process and minor refinements to utilities in the DCP project footprint.

- On August 29, 2025, DWR adopted the Second Addendum to the Final EIR evaluating design refinements or innovations estimated to reduce costs by $1.25 billion, and which would reduce environmental impacts.