

DRAFT
DNCT/EWA
Meeting Notes
2/11/99
12:30am - 12:30pm

Attendees: Matt Vandenberg, Pete Chadwick, Jim White, Dale Sweetnam, Bruce Herbold, Sheila Greene, George Barnes, Curtis Creel, Jim Snow, Brent Walthall, Paul Fujitani, Dave Briggs, Gary Bobker, Earl Nelson, BJ Miller, Russ Brown, Tom Cannon, David Forkel, Dave Fullerton, Ron Ott.

Agenda:

- i. Policy Summary Report
- ii. Workgroup Report
- iii. Scenario Development
- iv. Assignments

A. Highlights

- I. Discussed progress of each of the teams.
- II. Discussed schedule of team activities into spring.
- III. May 15 key date to provide information for EIR/EIS.
- IV. Ready to employ crude modeling tools for May 15 deadline needs.
- V. CALSIM model will be available for later activities.
- VI. Determining effectiveness of available applications of EWA will be key.
- VII. Water contracts will be available for this year's water allocations to EWA.

B. Actions:

- a. We need a crude gaming tool for Stage 1 process (developed before 5/15).

C. Quinn/Speer Group Organization

Five work teams have been identified:

99 Operations - focusing on implementing/testing; water operations, acquisition, storage, conveyance, etc.

Water Acquisition - assessing needs and priorities

Integration - focusing on problems related to EWA (water transfers, SWRCB, indirect effects)

Biology - focusing on how to use the EWA, how to protect fish populations, and the

range of hypotheses supporting the need for EWA water.

Models - focusing on accounting, simulation, gaming, and forecasting tools; rules and principles of EWA.

D. Schedule

Rules and principles: March 15

Components: April 1

Evaluation Tools: May 1

Range of Combinations: May 1

Preliminary Evaluation of Combinations: May 15

Comments:

1. There should be a commitment to schedule tasks beyond 5/15 - some biology tasks will go beyond that time.

Response: the process will have two tiers: one completed by 5/15 controlled by EIS/ROD needs and the other to go beyond and not controlled by EIS/ROD schedule. We need to articulate needs of management for the 5/15 deadline to divide the two tiers/tracks.

2. When is gaming to be completed? Does management want to participate?

Response: gaming will be ongoing with Policy Group. Their involvement will be highly structured. We may take half day to walk them through it in a structured way - possibly under workshop conditions.

3. Question as to whether gaming tools, particularly CALSIM, will be available for tier 1 process. Should we depend on CALSIM for tier 1 process?

Response: Monthly step gaming may be available sometime in April. Without CALSIM we only have crude tools. We need some sort of crude gaming tools for tier 1 process. We can use CALSIM in tier 2.

E. Putting Water Under Contract in 99

The Bureau is developing contracts for water in 99 that could be applied to the EWA. Some higher level of authority will decide what to do with the contracts - whether to purchase the water and apply it to whatever. Funding for the purchases of the water is not an element of the project.

notice will be posted on Feb 25 with a 30 day comment period. Negotiations will commence after March 25. Not possible to do an EA; instead doing under existing environmental documentation. Action is putting water under contract - use is still limited by OCAP Biological Opinion and State constraints. (For example: varying E/I is allowed under OCAP BO.)

Comments:

4. Single year contract options have limited value. The \$14.5 million was to be allocated for long-term water supply as a drought reserve for the environment.

Response: Multiyear contracts are more expensive and may involve groundwater and surface storage. Could use this contracted water to test EWA even in wet years like this is turning out to be. It would allow some control over pumps that we don't have this spring through the next winter.

5. How is the contracting process dealing with SWRCB and contractors?

Response: Willing sellers are only being considered. Looking into SWRCB Change-in-Purpose Permits. Application is not predisposing use of water.

6. With a single year contract how do you decide about something like extending VAMP when the likelihood of filling San Luis after April 15 is nil?

Response: VAMP will reorder water year.

7. There may be times when water can be held in upstream storage when exports are curtailed using EWA collateral. This held storage could also be collateral. This water could then be used to make up for lost water before August low point, in which case no contract option would need to be exercised.

Response: We should make every opportunity to keep holes in north supply reservoirs not in SOD storage, because it will be easier to identify impacts of actions involving the EWA. Our objectives have always been to fill capacity SOD as soon as possible within constraints and needs of contractors.

8. Is there a risk of owing water north of the Delta?

Response: Yes; holes in Shasta could affect ability to maintain cold water pool for winter run salmon or AFRP flows. There may be competing impacts even with Trinity. Benefits and impacts will have to be balanced when involving NOD storage. (Note that impact on the cold-water pool is not covered for EWA by existing environmental documentation.)

9. Could water be used to purchase B2 water?

Response: Low point modeling presently includes AFRP in the baseline.

10. This exercise in defining contracts has already affected the water market. EWA appears to be willing to pay higher prices for options.

Response: no contracts have been negotiated. Option prices have been suggested by sellers only: \$35/AF for groundwater and \$10/AF for MWD storage water. These options would add up to \$4.1 million for April 1. We are also seeing the value of storage not just water (e.g., MWD's \$10/AF).

11. Why not invest the money into our own water supply? EWA purchase of private water is not effective use of money. We need real carryover storage, long-term water rights, and permanent acquisitions. User fees should pay for development of these supplies.
12. Santa Clara's 100 TAF dead pool limitation for their pumping from San Luis limits use of San Luis water supply. What about funding new intake to use the 100 TAF in dead pool storage? Who is looking into this? What about effects on San Luis fish populations?

Response: SCWD has been looking into this.

F. Modeling Team Report

Getting Water:

- 1) relaxing standards
- 2) purchase
- 3) share yield of new projects
- 4) purchase water supply use efficiency (e.g., low flow toilets)

Accounting for Water: How to deal with and keep track of the four sources of water.

Overall Deal/Approach: Gallon for gallon or contracting approach? Purchasing water has some stakeholder difficulties. Focused on getting water into account. Purchasing efficiency depends on whether the purchase would lead to a permanent reduction in demand. For example, purchasing low flow toilets may not be efficient if they would be installed eventually anyway.

G. Biology Team Report

Summarized in Team Memo. Group attendance was limited. Tried to pick up where we left off in November.

Tools: Negative QWEST reductions; export reductions.

Charge: Optimize application of water and determine cost effectiveness.

Issues: What are we trying to do with EWA. Do we need new standards. Baseline is not an issue. We need to link actions with the problems being solved. We need tools to meet the problems. We need a range of prescriptive standards. Value of action needs to be high in 99 and Stage 1. How do we structure Stage 1 actions? We need to learn from Stage 1 actions. What is the degree of the problem? What are the best actions to address the problems?

Comments:

13. Judge won't define baseline.
14. Question of how much.
15. Dilemma: you don't know how you would use the water in the EWA at this point. Need to evaluate the potential benefit of many possible applications of the water. Is the action effective? Is there a better action? What is the nature of the problem being addressed by the application? What is the relative biological benefit of different applications of EWA water?
16. Feedback on our initial experiments (applications) is essential in answering these questions.
17. How and when do we exercise these actions. Time is essential element in determining costs and values.
18. Do we improve QWEST early or cut exports later?

H: Schedule

	ACQUISITION	INTEGRATION	BIOLOGY	MODELING
FEB			actions/problems solved	paper on how to get water into EWA; list of tools
MAR	Potential sources, options; ranges in surface/gw storage; lay out options		group of best actions; ranking of priorities	test rules, process for gaming
APR				evaluation
MAY				

I: General Discussion

19. Concerned about perception meltdown.
20. How do we move past disagreements.
21. Biological Opinion may alter how we decide to do things.

22. Need a list and agreement.
23. We can use existing tools now and new ones later.
24. What can we do with existing tools?
25. Need input from Policy Group in these decisions.
26. We need to practice methodology in model gaming to see where we get with actions.
27. We need to develop a straw man approach.
28. How is this different from the alternatives we already developed?
29. We did not finish the December scenario.
30. What changes would we make in our old scenarios?
31. We should focus on needs for EIR/EIS for EWA.