

Psuedo Minutes
DNCT Water Acquisition Team Meeting
March 9, 1999
David Fullerton

This is really a summary of what was said and decided at yesterday's meeting. I did not take detailed notes so this is based to some extent upon my (admittedly weak) memory. I will present the group's proposal for the first iteration of the game at tomorrow's meeting and then write up the result after it has been chewed on some more by the group.

Attendance:

- David Fullerton
- Ed Winkler
- Brent Walthall
- Spreck Rosekrans (by phone)
- Jim Snow
- David Forkel
- John Mills
- Ron Ott

Agenda

1. Develop a procedure for generating scenarios for use in the DNCT gaming exercise.
2. Construct one or more scenarios for presentation back to the modeling committee on March 16.

Notes.

Overview DF distributed a draft to the committee, giving an example of how to generate information of use in the gaming exercise (attached), as well as a possible scenario for the game. Most of the meeting was devoted to working through the draft and making modifications to it.

Procedure The group developed a matrix format for presenting scenario information. The problem is fairly complex. The water supply scenario will depend upon the target year (because more measures may come on line with time), the measures selected, the gross division of benefits between water users and the EWA, how that division of benefits is accounted for, the baseline selected for purposes of modeling (i.e., the prescriptive requirements assumed to be in effect), what measures are to be modeled and which to be manipulated by hand, and the operational characteristics of the measures (e.g., input and output capacity). The committee decided that, since we may need to generate and communicate numerous scenarios, that a standardized procedure was necessary.

1. Create a time line, showing what measures might be on line at what time in the future. Then, to create a scenario for any given year, a vertical slice through the timeline will show what water supply improvements might be available at a given time in the future.
2. Create, for any given target year, a matrix along the following lines:

Modeling Baseline =			Target Year =	
Possible Water Supply Measures	Selected for Scenario?	Operational Characteristics	Division Between EWA and Users	How to Model How to Game
Various kinds of storage	yes or no			
Various kinds of transfers				
Variations to prescriptive rules				
New infrastructure				

3. The DNCT will also need to develop rules to allow the game to go forward. Those rules should be specified for each scenario. Possible rules were presented in DF's attachment.

Scenarios

The group grappled with the problem of scenario proliferation. The DNCT modeling committee decided that the gaming exercise would not be based upon the analysis of large numbers of permutations (at least not initially). Rather, the DNCT would game one scenario, modify that scenario, then run the game again. In this way, the group hopes to converge fairly quickly upon a solution that represents the best that can be done with the tools available. On the other hand, each scenario includes numerous explicit and implicit assumptions. For both technical and policy reasons, we will need to vary those assumptions. But we create a new scenario each time we change an assumption. The kinds of assumptions which at least one participant has asked to vary are as follows:

1. Target Year. All sides want to know what assets and/or supplies they will have available at the outset. Improvements in assets and/or supplies over time will also be of interest. For simplicity, the group decided to start with a single target year -- Year 4. In year 4, CALFED will be half way through Stage 1. The EWA and water users should have more assets than at Year 1, but fewer than available in Year 8 at the end of Stage 1.
2. Modeling Basis. This not quite the same as the "baseline for purposes of counting benefits" that has caused controversy within CALFED. It includes all hardwired features of the system that can be modeled. It

Includes standards, AFRP flows, Trinity River releases, etc. (It therefore will be partially determined by the bio team.) It also includes changes to infrastructure or operational rules that can be modeled, such as JPOD, south Delta improvements, etc. There we some desire to develop different modeling bases resulting from policy differences, particularly AFRP in-Delta requirements. However, for now the group decided to go with a single set of bio requirements which included AFRP in-Delta, Trinity flows, etc., since they do represent Federal policy. This means that a greater number of new assets will need to be assigned to the Project operators, if their water supply bottom lines are to be met.

3. Accounting. There are at least 2 and perhaps more approaches to accounting. There is strict accounting, in which the EWA owns facilities and develops its own water. There is a more conventional approach in which the Projects owns the facilities, but is required to grant the EWA certain rights against the Projects, and numerous intermediate points (for example, the Projects control some facilities, but are required to deliver water to the environment for use or for storage in environmental storage). The group decided to develop one scenario of each type: one in which the EWA controls water and facilities and one in which it does not control facilities, but simply has an annual call on the Projects.

Results

The group decided to develop 2 scenarios: one with, one without infrastructure ownership by EWA for the Year 4 target year. The scenario is similar to the Year 1 scenario from DF's March 9 proposal, with the addition of Delta storage, additional efficiency purchases, small enlarged Shasta, and new groundwater at Gravelly Ford.