

Comments on CALFED Bay-Delta Action Plan
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I have tried to hit points that may need to be addressed right away. Of course, there are many details to be dealt with later as well. Points in bold seem the most important.

- Regulatory Baseline. (38)
 - **Should clarify whether ESA take limits are included in the baseline.** This is crucial. We have always assumed in the games that take limits will be met through Tier 2 assets.
 - The Federal Reg., commitment (41) seems to answer this. We will use EWA assets and Tier 3 assets to meet take requirements to extent possible. That is, **take limits are not part of the regulatory baseline (until all EWA and Tier Assets have been expended).** If this is true, then this fact should be noted in reg. Baseline section, otherwise it will be missed by readers.
 - Need more clarity on the 2:1 export/inflow ratio. It will be met by CVP and EWA? Is the CVP share from b2? Or a Project responsibility. If Project responsibility, what is the division of responsibility?
 - **Reset. May still have the problems I noted in my memo yesterday.** If reset credits are reduced by the amount of state gain, then export hits could actually increase! The only way to assure that state gain is not coupled to increased export hits in a reset year is to reduce allowable b2 expenditures from 800 by the amount of the gain.
 - The definition of Offset appears to have been improved since we began Game 5. I would note that this definition may open the door to using the EWA as a middleman. I.e., the EWA would provide water for increased CVP deliveries, and, in return, would take custody of the upstream water to use for enhancing flows the next fall. It is a way of holding b2 water over in upstream storage.
- Cross Valley interconnections in southern San Joaquin (discussed on page 17, 29). There appears to be little recognition that such a program may conflict with the other CALFED goal of rewatering the San Joaquin River. Operations and infrastructure for each of these programs should be developed in concert.
- **EWA Governance (18). The interim governance structure is very problematic.** I thought everyone agreed that, in the interim, we would be hiring a manager for the program, even if it remains under agency control. If the EWA just turns into some sort of ops group committee, we are in big trouble. The EWA cannot be run through a committee on a day-to-day basis. Use the ops group for overall guidance, but get people dedicated to operations. How well would the SWP or CVP work if they were controlled by the ops group?
- Future EWA governance is very vague (18). I assume that the agencies just hope this issue will go away. But poor governance will sink the EWA.
- Efficiency (20). I would note that the "hammer" for agencies not meeting CALFED efficiency targets has been greatly reduced. It used to be that agencies out of compliance would lose access to all CALFED benefits. Now the loss is in access to CALFED efficiency investments. I always thought that the other tool were overly

draconian and would lead to conflicts and confusion, so this seems ok. But is this what CALFED meant to do?

- Levees (32). Levee subsidence Control Plan. Seems to be a fig leaf. Best Management Practices to control subsidence don't mean very much unless they are tied to funding or penalties. Farmers maximize their incomes and will continue to let the public bear the externality cost of eventual levee failure. CALFED should be investing heavily in subsidence reversal technologies and pilot projects.
- EWA (39). If purchases are going to "average" 150/35 kaf SOD/NOD, this is probably an improvement on our game rules which made 150/35 a maximum.
- **Water supplies for Refuges (48). The EWA share of JPOD must be shared equally with refuges? If this means that half the excess flows picked up by EWA must go to refuges, then this is crushing.** The numbers in Appendix C should be modified to incorporate this. If it means that some of the excess pumping capacity available to EWA in the summer must be reserved for refuges, then this is less of a problem. This section feels like it was tacked on without much thought as to its effect on other sections.