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March 28, 1997

Dick Daniel,

I have reviewed the memo of 3/26 concerning review of the Ecosystem Restoration Program Plan. I offer the following comments.

This effort arose out of water users' analysis of the actions proposed for 1997 by the USFWS for the Anadromous fish Restoration Plan. Our analysis has raised many questions about the scientific basis for the proposed actions. Therefore, water users recommended that these actions not be carried out this year. Instead, we suggested that all key parties engage in a structured, fact-finding process with the intent of reaching consensus on the science.

We realized that the scientific basis for the proposed AFRP actions would be essentially the same as for environmental requirements to be developed for CalFed's water supply facilities. Therefore, we approached CalFed to see if they would carry out the structured, fact-finding program under their auspices.

The issue of environmental requirements for CalFed water supply facilities is an extremely important issue. I believe that if not resolved in some mutually acceptable way, it threatens the success of the entire CalFed program. Along with assurances and the possibility of an isolated facility, it promises to be a highly contentious issue.

The reason it is so important is that water users are not going to support a plan that includes expensive water supply facilities, that they will have to pay for, but that have such

stringent environmental requirements that the water supply and quality benefits are not worth the cost. If the AFRP proposed actions are an indication of the type of requirements that federal and state resource agencies will want for CalFed's new water supply facilities, I fear that we (and CalFed) have a big problem.

Water users recognized this problem (although they might not have stated it as starkly as I have). That is why we recommended the structured, fact-finding process. I described the essential features of that process in a memo to Lester (attached).

Before making that recommendation, we discussed what had not worked in the past. Adversarial processes (e.g., before the SWRCB) had not worked. Informal discussions had not worked. We feared that an expert panel or peer review process would not work either. We did not know where we would find a panel that could deal with the long, steep learning curve. We also feared that such a panel would eventually just become another entity for one side or the other (or both sides) to disagree with.

After discussions among ourselves and with Scott McCreary, we concluded that the best chance we had was the kind of process described in my attached memo. Specifically, we need a process that has two essential features:

1. It is focused on the issue of the science underlying environmental requirements for water supply projects.
2. It is a process in which the key individuals will have to truly engage with each other and make their best attempt to work out their differences.

The proposed CalFed process, described in the 3/26 memo, is way off the mark in my opinion. CalFed always seems to be broadening issues to the point of near irrelevance. (I have attached a description of CalFed dealing with another contentious issue.) In the process described in the CalFed memo of 3/26, it is not clear that the science underlying environmental requirements will be dealt with at all. There is also far too much reliance on the panels and far too little emphasis on the constructive engagement of key parties to this dispute.

I think this idea needs a substantial re-work.

Concerning the proposed approach to deal with the Ecosystem Restoration Plan: There is an underlying assumption in all of the ecosystem efforts that there will be enough money to carry out an ecosystem program developed from first principles. Therefore, there is great debate over what the first principles should be and how an ecosystem program should be developed based on these principles. This has led to considerable effort on defining goals and objectives and defining success and developing performance indicators, etc., etc.

Where is all of this money going to come from? Does anyone really think that water users are going to be willing to pay for expensive water supply facilities that do not produce much water (see above discussion) and also contribute large sums of money for an ecosystem program whose benefits cannot be predicted?

I think that the CalFed ecosystem people should at least be thinking of what sort of a program they would develop if ecosystem funds were limited. In that case, the emphasis would shift to the structure and organization of the program. How will decisions be made to spend limited resources? Do we emphasize

programs to stop killing fish or do we emphasize habitat improvements? If both, what is the mix and what is the rational basis for deciding what the mix should be?

In other words, what if the ecosystem program is a program of choices? How will those choices be made? I see little attention being paid to that question.

B.J.