

**DRAFT**  
**Quinn/Spear**  
**Meeting Notes**  
**3/23/99**  
11:00-12:30 AM

**Attendees:**

**Agenda:**

- i. Gaming Schedule
- ii. What are we doing - what will we have in 2 weeks
- iii. Scenarios
- iv. Biological gaming: rules and evaluation
- v. Tech Team effort and schedule

**Highlights**

We discussed schedule for model runs, gaming, and tech team efforts. Management team expressed some concern about whether EWA and new water supply resources were realistically included in Stage 1. They felt EWA was important to bridge gap between water supply and demand. They also want us to consider other benefits of program not just actions to improve salvage when considering gaps (e.g., new fish facilities in south Delta). They also expressed concern that we would have agreement when we were done, or did we "simply cut the baby in half". Would we have Sections 7 assurances by summer, for example. Our response was that we have not resolved all of these issues, but hope to in coming months with new tech committees. Next meeting will on Good Friday morning. We are to have presentation ready by Policy meeting on April 15.

**A. Two Week Expectations**

1. Decision on EWA: yes or no; or continue pursuing
2. size and components of EWA + funding level: definites, possibilities, utility of components
3. preliminary management accounting rules
4. general approach to biol rules
5. preliminary evaluation of biol and water supply benefits
6. preliminary recommendations and requests to CMARP
7. necessary back up rules and operation of EWA
8. plan for fine tuning

**C. What are we doing - BJ Miller**

- Last year we analyzed a medium sized EWA with prescriptive biological rules; this year we are trying out a larger account with more flexible rules.

- Preliminary - starting place -
- try out and expect adjustments to rules
- includes in-Delta AFRP despite judges ruling
- Biological rules - not definitive - will be set for Stage 1.
- Based on in-Delta AFRP - adjust later.

**What we will have by mid-April - BJ Miller**

- yes/no recommendation on continuing work on EWA
- components, size, and funding - definite possibilities
- preliminary management and accounting rules
- general approach for biological rules
- preliminary evaluation of biological and water supply benefits
- preliminary CMARP features
- plan for how to proceed.

MS: We have a scheduled April 15 Policy Group Meeting. Be prepared for 15 minute presentation about where we are with rules, approach, information demonstration process.

**Gaming - Dave Fullerton**

**Assumptions:** (1) 50% of account is full; (2) \$30 million per year for purchases.

MS: \$30 million per year doesn't go far for ground water. R: we are buying water not developing it.

MS: What would it take to make initial conditions (assumptions) real? R: realistic in early part of process, but phase out purchases over time.

**Model Basis:** Included features (1995 level of development; Accord + AFRP; Trinity; ISDP; JPOD; new in-Delta storage; Gravelly Ford GW; enlarged Shasta.

JB: Is enlarged Shasta a realistic feature for year 4? Year 8?

**Game Rules:** borrow only - may not have to pay back; take on risk; EWA has access to facilities but low priority; borrow against future income; some years there may be high cost of borrowing.

**Scenario 1A:** Summary of Assets: more projects; bigger account; features benefits to projects and water supply; Kern Water Bank (to EWA); Gravelly Ford (split); Shasta enlargement (split); In-Delta Storage (split); purchases; demand shifting; urban water efficiency.

**Other Scenarios:**

- 1B contracts to deliver water; benefits vary by year
- 1C more classic approach; call on projects

MS: important to speak up now about features to include or not to include - hard to go back later and redo under this process. R: 1A pushes envelope with wide range of options - implicit third go around with more reasonable features.

Q: Do we have the time through summer to develop everything?

MS: By May draft EIS need to know if EWA is feasible. Can we bridge gap between supply and demand without an EWA. Without an EWA a huge piece of what we need will be missing.

C: Contract option and water rights approach are needed, but not necessarily in the gaming process.

Q: Is an enlarged Shasta realistic? R: Seems to be.

Q: What about AFRP variance? R: gray area.

C: Every stakeholder will have some discomfort, but this is a good package for water quality. Urban water users will have trouble with in-Delta storage. Not many gains for water supply from other new features. This will put pressure on gamers.

### **Gaming Process: Bruce Herbold**

#### Steps in Gaming

- start in October of a water year
- use historic salvage data in lieu of better monitoring data
- look at hydrology
- look ahead at salvage picture
- look at modeled hydrology
- think about biological justification
- adjust salvage to new hydrology and exports
- look at remaining salvage and determine if it remains an issue
- modify hydrology and exports to solve remaining issues.
- use cheapest tool available to take needed action.

MS: reflecting modification: look at things like new fish facilities at pumping plants. Will you take into account other things that may change other than hydrology and exports? R: looking at operation changes in the Delta only, not upstream AFRP or ERP benefits.

MS: double edged sword; can we ignore these other changes? R: there is no agreement on how important these other actions are.

MS: Are we looking month to month? Average per month? R: Daily historic.

MS: You are not doing what you did last fall. Are you using a set of years? R: yes.

RG: Broad stock years? R: yes. Population will be taken into account. It is tempting to make salvage numbers important, but may not represent real conditions.

Q: Are we adjusting historical salvage? R: yes; recognizing this is an enormous leap.

MS: Enormous leaps? Will water users respect what we applied for fish? Will fish side give appropriate credit for water applied for fish? From fish side, decisions may have been conservative. Will we get sufficient credit that will lead to supporting Section 7 decision? Have we cut the baby in half? Can we still say this is feasible in June with Section 7 assurances? Will both sides respect decisions? Do we put \*'s next to conclusions.

R: we don't always agree on the measures or scores. We have not solved all arguments; but we rules that have been agreed upon. We are having to be specific about what our EWA does. We end up with clear statements of assumptions.

JB: Are we comfortable about adjusting salvage data? R: we are conservative using the dilution factor approach. Our two species groups have not been established to address such issues. This is the best we can do for now. We still plan to have species teams review what we do. Can't form these teams until we get out of crisis mode. Expect refinement by fall as teams go through issues more deliberately. We have no commitment as yet for team participation.

MS: Don't change Good Friday morning meeting. (9-12)