

DRAFT
Stage 1 Water Management Strategy
and the
Environmental Water Account
November 14, 1999

Background

The purpose of the Development Team was set forth in an October 19 memo from Steve Ritchie to the Development Team. The purpose was as follows:

Evaluate a range of Water Management assets.

Develop a recommended Water Management Strategy for Stage 1 including the framework for the EWA that will be considered by BDAC and the Policy Group (emphasis added).

This purpose statement was followed by a list of tasks necessary to fulfill the purpose. These tasks consisted in part of describing how the assets would be evaluated and implemented. Later, a memo by Cliff Schulz, adopted by the Development Team, provided more specific guidance on these evaluations.

The tasks also included developing rules on how the assets would be allocated among the EWA, water supply, and water quality and what the overall operating rules would be for the EWA and Water Management Strategy.

The governance and decision-making structure of the EWA was to be described. Finally, there would be a description of how the EWA and Stage 1 Water Management Strategy would be integrated or coordinated with other programs.

Conflict over the b(2) issue has made fulfillment of the purpose of the Development Team, as elaborated in the accompanying tasks, difficult. While such tasks might be completed in the future, it does not now appear possible to complete them by mid-December. Therefore, an interim, limited work product is necessary.

By mid-December, it would appear that the following is possible:

A description of CalFed's Stage 1 goals for environmental, water supply, and water quality improvement for Stage 1.

A description, in accordance with the Schulz memo, of assets that have a good possibility of being implemented in Stage 1.

A description of value of assets or groups of assets, along with an assessment of how the value of these assets is affected by the fishery protections being implemented.

An assessment of the degree to which early and late Stage 1 assets, when used with Department of Interior's current assumptions about how b(2) should be implemented, could achieve two sets of goals, CalFed's and the individual goals of the three major interest groups. (Options might be presented depending on how the assets were allocated.)

A description of a process for completing the tasks in the October 19 memo.

Therefore, this work product is described below in the form of an annotated outline of a report for consideration by BDAC and the CalFed Policy Group.

Interim Report
The Stage 1 Water Management Strategy
and the
Environmental Water Account.

I. Background

What is Stage 1. What are assets. What is the Water Management Strategy. What is an Environmental Water Account. What is b(2). What has happened to date with respect to b(2) and what will happen in the future. What does this report do. What else is needed.

II. Stage 1 Goals

This would consist of CalFed's own statement of the environmental, water supply, and water quality goals. CalFed could use the interest groups' goals (the biological bar, 400 KAF by end of State 1, and the CUWA water quality goals), but would probably be better served with its own version of the goals, something along the lines of "significant improvement." Try to avoid the baseline issue. If this is not possible, acknowledge the different baselines without adopting any one of them.

III. Possible Stage 1 Assets

Says that a comprehensive description is attached. This section presents only a summary description of assets and what is necessary to implement each of them. Defines what is meant by early Stage 1 and late Stage 1. To the extent possible, the cost of these assets is presented. If methods of financing are obvious, these methods would be presented.

A. Early Stage 1 Assets

B. Late Stage 1 Assets

IV. Asset Assessment

This section describes the results of the gaming, including one early and one late Stage 1 game with DOI's b(2). The gaming produces some assessment of the value of the assets as a whole. Based on these results and insights gained during the gaming, a general assessment of the value of individual assets or classes of assets would also be made.

The results of the gaming should be described relative to the goals in Section II.

Key assumptions should be listed along with some assessment of their effect on the results.

This section should also point out that an assessment relative to a broader set of potential actions is possible (that is, the bulls eye diagram) but has not yet been done. Such an assessment is necessary, will eventually be done, and could substantially change conclusions about how well the goals are achieved.

V. Future Work

This section would describe additional work to be done to fill out this framework and fulfill the October 19 charge to the Development Team. The process of doing this work would be described, including the role, if any, of the Development Team. A schedule would be included.