

**CALFED Policy Group
Wednesday, July 2, 1997
Meeting Summary**

A. CALFED Bay-Delta Program Issues

Alternative Narrowing Process

Lester Snow provided an overview of the evaluation process that will be used to select the draft preferred alternative. Step 1, the Narrowing Process entails a coarse evaluation of alternatives based on implementability. Step 2, the Detailed Evaluation, will allow for more specific evaluation of the alternatives using the Program objectives, solution principles, and other concurrent processes (prefeasibility, impact analysis, etc.). Distinguishing characteristics are being identified which are critical in comparing alternatives and in selection of a preferred alternative.

Some discussion focussed on problems that may occur with the 404(b)(1) analysis. A discussion about the need to narrow 60 potential storage sites to about 3 to 5 sites located both north and south of the Delta highlighted the potential problems given the lack of flexibility in the 404 process. In order to gain the specificity necessary to do other evaluations (i.e., HCP), we need to be able to limit sites. To fit within the framework described, additional flexibility may be necessary and further discussion may be needed by the Policy Group.

Timeline for Interim Decisions and Selection of a Draft Preferred Alternative

At the August Policy Group meeting, CALFED staff will present the results of application of the narrowing process and an initial evaluation of alternatives against the Program objectives. At the September meeting, it is anticipated there will be an opportunity for an evaluation of the major characteristics of the alternatives.

A discussion centered on the progress of the Program and how we would be able to meet the proposed deadlines for preparation of a draft preferred alternative. This led into a discussion of what the preferred alternative may look like and the level of detail of that alternative. A preferred alternative might look like one of the alternatives, but another possibility is a combination of two or more of the existing alternatives (e.g., Alternative 2B with less storage, and possibility an isolated facility, which is included in Alternative 3B). When evaluating alternatives, combining two alternatives may be the only way to achieve flexibility. It was requested that constructing a preferred alternative be on the next Policy Group agenda in August.

Action: Bob Perciasepe and Doug Wheeler requested a presentation on constructing the preferred alternative at the August Policy Group to get a better idea of what form a draft preferred alternative may take. Two key issues were identified: (1) Level of detail encompassed in the draft preferred alternative; and (2) Timeline implications associated with that level of detail.

No Action Alternative and Affected Environment

Rick Breitenbach provided a brief overview of recent issues that had been resolved relative to the no action alternative and affected environment and asked for approval. The Policy Group raised four primary issues:

- **Prime and Unique Agricultural Lands** - A question was raised as to why the abbreviated list of resource categories, provided in the meeting packet, for describing the Affected Environment, did not specifically identify Prime and Unique Agricultural Lands. It was indicated that there is a more extensive list of the resource categories to be studied in the EIR/EIS and that agricultural land use is described on that list under the Land Use heading. The Land Use heading is contained on the abbreviated list. Further, Prime and Unique Agricultural Lands will be the subject of consideration in another section of the EIS/EIR dealing with other environmental requirements in addition to NEPA and CEQA, e.g., Section 106 of the Historic Preservation Act, the Endangered Species Act, Executive Orders on Floodplains and Wetlands, etc. This consideration stems from the Farmland Protection Policy Act of 1981 and the Council of Environmental Quality's direction to federal agencies preparing EIS's to include farmland assessments designed to minimize impacts on prime and unique agricultural lands.

Action: Add Prime and Unique agricultural land to list for clarity.

- **Inclusion of Splittail, spring-run salmon, and Steelhead** - There was a question as to why the proposal for the No Action Alternative did not include these species. A request for inclusion of these species had not been proposed by any CALFED agencies over the past year during discussion of the No Action/Affected Environment. There was additional discussion about operational and related modeling assumptions if the species were listed.

Action: These species will be added to the No Action Alternative and CALFED staff will work with agencies to develop appropriate operational and modeling assumptions.

- **Hydraulic Planning Model Assumptions for winter-run and spring-run salmon** - There was a question about how the winter-run and spring-run salmon would be simulated in the hydraulic planning model. It was noted that the Delta Cross Channel was the area of interest relative to the winter-run salmon. It was explained that there would need to be some discussion among the CALFED agencies to identify hydraulic planning model assumptions.

Action: CALFED staff will work with CALFED agencies to develop appropriate operational and modeling assumptions.

- **Shasta Carryover Storage Assumptions** - There was a question about the modeling assumption for Shasta carryover storage. As presently proposed, in critical years following critical years, storage is allowed to fall to 1.2MAF and lower in extremely dry years.

Action: CALFED staff will work with agencies to determine if the current modeling assumptions are appropriate and adjust will be made if needed.

Action: The CALFED Policy Group approved the CALFED Program Team's proposal for the resource categories to describe the Affected Environment, the projects to be used to describe the No Action Alternative and the projects to be used to assess Cumulative Impacts. They also concurred with the proposed non-project items such as operational and regulatory criteria which are needed to model and further describe both the Affected Environment and the No Action Alternative. Additionally, the Policy Group recognized the need for further work on how to implement or characterize some of the item(s) for modeling purposes.

Schedule for HCP Preparation

Sharon Gross provided an overview of efforts to develop an HCP for the CALFED Program and the efforts necessary to coordinate the EIR/S and HCP schedules. Mike Spear distributed a draft outline of the Notice of Intent for Policy Group review. The HCP Notice of Intent would be a supplement to the EIS/R Notice of Intent. Mike also introduced Dave Harlow, as the FWS lead, who will be responsible for helping develop the HCP and will help identify the resources needed to meet the timeframe.

Action: The Notice of Intent to prepare the HCP will be finalized and published as quickly as possible and Scoping meetings will be held. The EIR/S will be used to satisfy the NEPA requirements for the HCP. An interagency team (FWS, NMFS, F&G and CALFED staff) will be formed to assist in development and coordination of the effort.

B. Restoration Coordination Program

Kate Hansel gave an update on the Request for Proposals (RFP), released on June 13. A public meeting is scheduled for July 3 to respond to written questions regarding the RFP, the overall process and the timeline. The deadline for proposal submittal is July 28 at 4:00 p.m.

A two tier evaluation process is described in the RFP: technical review panels that score individual proposals, and an integration panel that will recommend how funding should be allocated among the priority species, habitats, and stressors listed in the RFP. CALFED staff have requested nominations for agency and non-agency staff for both panels.

A description of the evaluation and selection process is as follows: technical review panels, comprised of 4 to 7 agency and non-agency members, and organized by type of proposal (and geographic area if necessary) will score proposals based on seven criteria. The proposals will then be forwarded to an integration panel comprised of 12-15 agency and non-agency members who will determine the relative importance of the priority species and habitats listed in the RAP and recommend funding proposals based on the overall benefit to the Bay-Delta ecosystem. The integration panel will not change the scores, but can give higher priority to a proposal with a lower score if that project would be more beneficial to the long-term program. There is up to \$71 million available in this funding cycle, however, we are not required to obligate all of it proposals are not of sufficient quality or quantity. Unused funds and any additional funds that become available will be available in the next funding cycle.

Action: At the next Policy Group meeting in August, a summary will be provided outlining the numbers and types of proposals that were submitted. In September, an initial overview of the proposals will be presented, as well as some information on integration panel priorities. In October, there will be a discussion and approval of the funding package to be submitted to the Resources Agency for final approval.

C. Process for Resolution of CVPIA(b)(2) Water

Roger Patterson and Mike Spear gave an overview of the CVPIA (b)(2) water issue.

Patrick Wright reviewed the timeline associated with the process and suggested that by July 24 there should be a new iteration of the (b)(2) policy paper. By end of August or early September, a five-year management plan should be developed.

D. December Accord Extension

Discussion relative to preparing a letter or memo extending the Bay-Delta Accord has occurred at several CALFED meetings since the first of the year. Lester Snow requested Policy Group make their intent clear relative to extending the Bay Delta Accord.

Action: The sense of the Policy Group is to develop a joint extension letter or memo extending the Accord, not rewriting it. A team, led by Patrick Wright, will be formed to develop the extension by the next Policy Group meeting in August. Members of the group include: Tom Hagler, EPA; Craig Matson; Barbara Leidig, SWRCB; David Nawi, Interior; Maureen Gorsie, Resources Agency; and Susan Weber, DWR.

E. Flood Management

General Richard Capka announced that the Corps of Engineers has officially joined the CALFED effort as a co-lead agency. He provided a general overview of the 4-Phase flood recovery strategy. The Corps is currently in Phase 3 of the effort. He also reported that the Corps has received supplemental funding. General Capka outlined some of the problems they have run into including the effects of removing levees on adjacent landowners and the challenge of addressing immediate problems while leaving options for long term opportunities.

General Capka identified several areas where assistance is needed. The Policy Group and CALFED agencies need to make a commitment to do everything possible to ensure that the four projects currently underway continue to make progress. Although the longer list of projects cannot be completed by November 1 (official deadline), a strategy is needed to ensure we are not limiting our future options for nonstructural alternatives. Additionally, the public outreach effort needs to continue.

Discussion focussed on the need for a "master plan" and how to establish some systematic, comprehensive advocacy to move the program forward. The CALFED Program attempted to fill the role, however, it is too much of a drain on staff from the EIS/EIR effort. The issue was not resolved.

Action: Each agency was asked to identify projects that may be initiated by the November 1 deadline. The CALFED Program will continue to assist by ensuring consistency with the long-term program. The current Restoration Coordination RAP process can be utilized to fund/encourage non-structural alternatives.

F. Revised 1997 Operations Plan

Bob Potter provided a brief overview on the revised 1997 Operations Plan. A new plan has been developed and the issues will be identified and discussed at the next CALFED Ops Group. He also indicated that there is little chance of retrieving the make-up water if it continues to be dry.

G. Other

Federal/State Cost Share Agreement

Zach McReynolds provided a brief overview of the progress on the cost-share agreement and distributed an outline. Comments made since the last draft are being incorporated and the agreement will be recirculated to the CALFED agencies next week.

Action: Bob Perciasepe suggested that it is time to include the stakeholders in the process. A final version of the document is anticipated to be completed after the September meeting.

Interim South Delta

Bob Potter gave an update on the status of the interim South Delta Program. The ESA consultation is currently underway and the FWS has requested an additional 60 days. Discussion focussed on a possible letter that may be sent to DWR from the Corps (resulting from an EPA letter to the Corps) indicating that the project purpose is too narrow. Separate meetings will be scheduled to address this issue.

NMFS Essential Fish Habitat Rulemaking Proposal

Tom Bigford of NMFS gave a general overview of Essential Fish Habitat (EFH) and the Magnuson-Stevens Act, including goals and statutory responsibilities. The Department of Commerce is developing EFH regulations which provide recommendations for conservation measures. The EFH regulations are patterned after ESA Section 7 and complement existing regulations. While the ESA is usually linked to adult stage, the EFH covers all life stages. A final rule is expected by mid-August.

Action: Staff from the CALFED Program will review regulations to ensure they incorporate needed flexibility and prepare a comment letter to go on the record as stating the need for integration of these efforts.

Other

- Doug Wheeler introduced Jim Branham, who will replace Michael Mantell as Undersecretary of California Resources Agency.
- The FWS is establishing a new region for California and Nevada which Michael Spear will head as Regional Director.

Upcoming Meetings

- August 14 and September 11 - CALFED Policy Group - All day (or possibly two-day) meetings.
- Agenda Items for next meeting: Alternative Narrowing Process; timeline management; HCP coordination issues; Accord extension report; and updates on various programs and efforts.
- A draft agenda will be distributed within the next two weeks.