

Meeting Summary (9/23/97)

**CALFED Policy Group
Tuesday, September 23, 1997
Meeting Summary**

CALFED Schedule

Lester Snow gave an brief overview of the proposed Program schedule outlining that discussions will begin in October in preparation for discussion of a preferred alternative at the November meeting. Release of the draft EIS/EIR is scheduled for January.

The proposed schedule doesn't allow adequate review time in the traditional sense in that internal review will continue during the fine tuning and drafting of the draft EIR/S. Lester emphasized the importance of intense agency involvement and indicated that the schedule will not work if the agencies are not involved. On November 13 and 14, Management Team will continue discussions on the preferred alternative options to prepare for the November 24 (and possibly morning of the 25th) Policy Group meeting. The Federal agencies indicated they may also meet between the November Management Team and Policy Group meetings.

Interagency Development Team (IDT)

The IDT is comprised of a group of CALFED staff (Core Group) and Agency staff (Agency Team). They are tasked with reviewing the alternatives, developing the best hybrid for each category of alternative, and identifying both technical and policy tradeoffs. This information is critical in the development of the preferred alternative. The first meeting of the IDT is scheduled for October 3.

Status of Evaluation Process - Distinguishing Characteristics

Steve Yaeger further reviewed the role of the IDT and provided additional information on the Distinguishing Characteristics which will be used by the IDT to make relative comparisons between the Alternatives. The IDT will work on developing a ranking system to help in the comparisons of alternatives.

Water Use Efficiency

Rick Soehren gave a technical presentation on the array of benefits -- including water savings, ecosystem improvement, and water quality improvement -- that might be expected from water use efficiency measures implemented by urban and agricultural users.

CALFED is developing estimates of potential water savings that might result from implementation of urban conservation programs, agricultural conservation programs, and water recycling. Preliminary estimates show expected savings from conservation will be far greater in the urban sector than in agriculture even though far more water is used by agriculture. Estimates of savings from water recycling have not yet been completed.

The disparity between potential savings in the urban and agricultural sectors is related to *where* and *how* the water is used. Most urban use is in coastal areas, where effluent is generally discharged to the ocean. Any reduction in this discharge represents a real water savings. Most agricultural use is inland, where excess water returns to rivers or groundwater aquifers where it is available for reuse. Conservation in these areas may provide water quality or ecosystem benefits, but losses such as runoff are available for reuse so preventing this loss does not create a new water supply.

The ways in which water is used also provide different opportunities for conservation. Many urban water uses do not actually consume water, but use it and discharge it. In agriculture, more of the water is actually consumed by plants and thus is not available for subsequent reuse.

Policy group members had many questions and comments regarding the analysis and assumptions used. There was some discussion about crop shifts, the resulting potential for water use reductions, and economic limitations of crop shifting to manage water use. There was discussion about evaporative losses, methods of reducing such losses by converting from open delivery canals to closed pipes or changing irrigation methods from open furrow to subsurface drip. These actions can yield water savings but are generally quite costly.

CALFED staff is reviewing data regarding water use, reuse, and conservation savings in the agricultural sector to verify preliminary analysis results.

Restoration Coordination

Kate Hansel provided an overview of the progress on the evaluation of the Category III RFP effort. Staff is working to prepare summaries reflecting proposal characteristics by type of project proposed and the type of applicant. Technical panels are currently meeting and analyzing proposals an Integration panel will select proposals to ensure balance. The Integration panel is prioritizing species in coordination with CVPIA staff (some CVPIA species not listed in the RFP have been added to integration panel list).

Staff is planning to retain \$6 million of Prop. 204 funds for a contingency reserve, \$1.8 million for administration, \$1 million for bond management leaving \$52 million for funding the RFP proposals.

At the November 24 Policy Group meeting, the proposed list of projects will be provided. The Integration panel will complete their work by October 28, which will then go to the Ecosystem Roundtable and BDAC for comments.

One question was raised about cost-sharing and Kate indicated that proposals get points for more cost-share, although it's not required by the RFP.

Kate also provided an overview of several options that are being considered for federal funding which include new grant requests, existing RFP proposals and directed programs. Kate Hansel to bring to November 24 Policy Group a list of any additional unfunded proposals we would wish to have funded. Policy Group may consider those that they wish to fund in the next round.

Legal Drafting Team Update

There are currently six federal co-leads and not all are represented on the legal team. Mary Scoonover will follow up.

Assurances - General Overview

Mary Scoonover gave a brief overview of some of the highlights of the past year's work relative to the development of assurances. She then reviewed three approaches of management entities for implementation of the ecosystem restoration program as outlined in the meeting packet.

The Assurances Workgroup is discussing phasing -- which actions are tied together and must be completed before other actions can go forward.

Policy Group questioned why the third approach separated the ecosystem restoration program from the other Program elements. Mary explained there is no support by agencies or stakeholders for a super entity to implement the entire Program. The ecosystem has been the highest concern/focus overall. Some members expressed concern about separating ecosystem restoration from the other programs in our Assurances plan. Lester added that there is stakeholder concern about one agency overseeing both ecosystem restoration and water supply -- there's a fear that, over time, money will wear down environmental concerns. For implementation of the ecosystem restoration program, there must be clear financing and decision authority. Whether that can occurred through a new entity or with existing agencies under a new agreement isn't clear yet.

HCP Status and Update on Scoping

Dave Harlow reviewed the HCP scoping meeting schedule and the development of a CALFED HCP. There are three HCP options that are being considered: (1) standard HCP, (2) phased with conditioned permit, and (3) phased with permit amendments. He then reviewed issues the HCP coordination team is working on: the scope of the HCP, time line, how to coordinate the process, implementation of assurances, and the appropriateness of developing a state Natural Community Conservation Plan (NCCP).

There was some discussion about what the HCP would look like. Also, concern that those stakeholders who would be most affected by an HCP aren't involved in the discussions.

Flood Management

The Army Corps of Engineers is in the third phase of a four-phase process, and is required to restore levees to pre-January 1997 conditions before November 1. Phase Four is long-term restoration. Walter Yep reviewed federal appropriation for Corps Phase Four project. The Corps needs a non-federal cost-share partner (50-50) for a study (to develop master plan, prepare a feasibility report). Corps would like to see floodway with agricultural or environmental use instead of residential use. They want to study nonstructural approaches, find new mechanisms, and identify impediments. One primary concern that has been identified and will need to be addressed in the long-term is indemnity.

Lester Snow responded that CALFED's concern is Phase Four, as there isn't time to get involved in Phase Three (must be completed by November 1). We can start identifying areas for Phase Four now.

Accord Extension

The Policy Group determined that the two-page memo should be deleted from the Accord extension package. The package now includes: (1) a one-sentence extension; (2) a news release - (which needs to be reviewed by the Federal agencies); and (3) a Question and Answer sheet - (also needs Federal agency review). The Q&A sheet may accompany the news release, or may be distributed to agencies to help in responding to calls.

Time is becoming a critical factor in that the lack of an agreement is being used by some groups as leverage. Lester Snow requested that all comments be submitted within the next week. Federal comments should be sent to Patrick Wright; state comments to Marc Leusebrink and Marc will be responsible for preparing the final draft.

B(2) Status

Patrick Wright gave an update on B(2) efforts. The Fish Group is almost done with its mission. The Modeling Group is currently looking at modeling approximately a large number of different methods. The Toolbox Group is working on tools to implement B(2) over the next 10-20 years. A final package is expected within the next month. An unresolved issue was raised relative to the participation of the state in the process and was deferred to a future meeting.

San Joaquin Adaptive Management Plan

Patrick gave a status report on the San Joaquin Adaptive Management Plan. Much progress has been made, however, there is still a long way to go. Issues that must be dealt with include how to deal with exports, assurances, and NEPA/CEQA compliance. This effort was to establish framework the agencies are willing to pursue.

Ops Group Update

Bob Potter conveyed stakeholders concerns about makeup. Ops Group is still trying to find a way to pay the state back without changing standards.

BDAC Membership

There are currently four vacancies on BDAC -- one representative each from urban, business, environmental, and waterfowl communities. We hope to have nominations for these vacancies by the next Policy Group meeting in order to have the new members on board by the November BDAC meeting.

Cost-Share Agreement

Zach McReynolds gave a status report on the development of the cost-share agreement. Stakeholders are beginning to provide comments which will most likely take additional time to respond to their concerns. The common theme is that the document is too big and expansive and that it should only cover the next year or so. Zach is making calls this week to touch base with the stakeholders. Signatories to the document are Secretary Babbitt and Secretary Wheeler.

Status of Federal Budget/Appropriations

David Cottingham provided an update on the status of the Federal appropriations.