

Madera Ranch



Memorandum

Date: September 10, 1998

To: CALFED Policy Group

From: Lester A. Snow
Executive Director

*K. Hansen
for LAS*

Subject: Madera Ranch

Summary

The U.S. Bureau of Reclamation would like the CALFED Policy Group to consider approving \$14.5 million in federal Bay-Delta Act funds currently approved as part of the environmental water acquisition program to assist with the purchase of Madera Ranch, which they propose to develop as a conjunctive use project. The Integration Panel identified several concerns with the proposal discussed below. Although the BDAC Ecosystem Roundtable didn't have time at their August 31 meeting for a full discussion, the proposal is highly controversial for both the environmental representatives and the Regional Council of Rural Counties. Their concerns are also discussed below.

Action

Concurrence Item. Although the USBR would like the Policy Group to recommend approval of \$14.5 million for Madera Ranch, pending a favorable recommendation from the BDAC Ecosystem Roundtable, staff recommend that the Policy Group consider whether they concur with the approach to the project, identify any additional concerns that USBR should address and then delegate the decision to the CALFED Management Team for discussion at its October 1 meeting. Given the extreme sensitivity of the issue, this appears to be a reasonable course of action which still allows a decision within 30 days if issues can be resolved.

Detailed Discussion

The USBR has been working to develop a groundwater banking project at Madera Ranch. Further information on the project is contained in the attached memo from Roger Patterson to Policy Group. The project would involve land acquisition, development of

CALFED Agencies

California

The Resources Agency
Department of Fish and Game
Department of Water Resources
California Environmental Protection Agency
State Water Resources Control Board

Federal

Environmental Protection Agency
Department of the Interior
Fish and Wildlife Service
Bureau of Reclamation
U.S. Army Corps of Engineers

Department of Agriculture
Natural Resources Conservation Service
Department of Commerce
National Marine Fisheries Service

operational criteria, and development of facilities. Water for storage would come from flood flows in the San Joaquin basin and from diversions from the Delta.

As part of the development of the project, USBR has been negotiating with the local landowner over acquisition of the property. They are interested in identifying funding to complete the land acquisition in the very near future (30 to 60 days) because of the possibility that the landowner may be unwilling to wait longer and the deal may fall through.

To obtain approval for funding, USBR requested that CALFED staff take this project to the Integration Panel at their meeting in late August, to the Ecosystem Roundtable on August 31, to the Management Team on September 1 and to Policy Group on September 14.

Integration Panel. The Integration Panel considered the proposal and did not come to consensus on it. There was a diversity of opinion, ranging from some who felt this was not an environmental restoration program to others who felt that this was a good way to develop environmental water. The Integration Panel also felt they did not have the expertise or time to fully evaluate the information on groundwater hydrology, yield, and other aspects of the project.

The major concerns identified by the Integration Panel were:

1. Proceeding with acquisition before on-site impacts are evaluated and the project found to be feasible could result in use of federal Bay-Delta Act funds for a project, acquisition of upland habitat, that does not match the priorities.
2. Storage is important in meeting CALFED goals related to water supply reliability. Conjunctive use is likely the best approach to providing storage from an environmental perspective. However, the concern was expressed that conjunctive use was more to meet water supply reliability goals, not environmental restoration goals.
3. Little information was available on alternative sites for conjunctive use. Some Integration Panel members wanted more information on the relative costs, yield, impacts, and benefits of this site compared to others.
4. The operation of any storage project is the key to realizing environmental benefits or to causing environmental impacts, so to assess the project, you would need to know when and where the water would be diverted to storage, when and how much water would be available for environmental use, and who controlled the decisions on these issues. Assurances would also need to be provided that water would be available for the environment at times when it was supposed to be available.

5. The relationship of Madera Ranch to CVPIA B(2) water was not clear. If environmental water from the project was going in whole or in part to B(2), then you would need to carefully consider whether it is appropriate for CALFED to contribute to B(2).

BDAC Ecosystem Roundtable. While the Ecosystem Roundtable did not have time to discuss this proposal in any detail, several members have been very clear that they have strong reservations about whether this project is appropriate for funding from the federal Bay-Delta Act. Other members have identified the local opposition as an important issue that needs to be carefully addressed. Still other members expressed strong support for the project and for CALFED investment in it.

In addition to the issues about the merits of the project, several Ecosystem Roundtable members are very sensitive about any decisions made on issues like this when they have not had a chance to provide input. Although the USBR has been trying to follow the process, the Roundtable did not have time to discuss the project at their last meeting. Their next meeting is scheduled for September 21 and Madera Ranch will be on the agenda.

CALFED Management Team. At the Management Team meeting, many of the same issues with the project were discussed. Management Team recommended the project be put on the Policy Group agenda to be considered, and they supported USBR convening a meeting of interested parties prior to the Policy Group meeting including Management Team members and stakeholders to further discuss the details of the proposal and concerns about it.

Attachment