

## Madera Ranch Proposal Status

October 14, 1998

**Management Team Recommendation:** The Project has merit and the sponsors should continue to pursue its development and work to resolve the issues. The CALFED Management Team recommends that Policy Group recommend approval of \$14.5 million of FY 1999 funds for the project, subject to resolution of certain issues. The funds should be recommended for final approval only if funds from other sources are also available, and uncertainties regarding project feasibility and impacts on the local area are resolved to the Policy Group's satisfaction after review by the BDAC Ecosystem Roundtable and BDAC.

**Staff recommendation on information needed to resolve issues:** The following issues are the major ones that should be addressed in order for the Roundtable to provide additional review and for the Policy Team to provide final approval. *Staff also recommends that the project sponsors make every effort to find other funding sources.*

1. Local concerns: Questions have been raised by local landowners and county officials about specifics of the project, including validity of initial technical studies, negative impacts to the aquifer, and water quality impacts. In addition, adjacent and upstream water users have expressed concerns about the potential impacts of the project on their rights. These should be addressed so local governments and local irrigation districts no longer oppose the project. It is also suggested that a local sponsor be sought.
2. Cost sharing: Several cost-sharing partners must be involved in the project for it to be viable. The cost-sharing for the land acquisition must be approved prior to final Policy Group approval and if any of the land acquisition costs include loans, sources of funds to repay those loans must be identified. Cost-sharing for the facilities should be a strong commitment. Every effort should be made to find other funding sources for the project.
3. Environmental impacts: The environmental impacts of the project should be better described to allow reviewers to determine if there are any fatal flaws which could prevent development.
4. Water sources: Potential sources of water for both the consumptive and environmental uses of the project should be identified along with information on any subsequent approvals and issues surrounding that source of water.
5. Yield: Currently, there are several estimates of the yield of the project and these cover a wide range. These yield figures should be reviewed and refined so that discrepancies between the estimates can be explained and a realistic estimate prepared.
6. Cost: Cost estimates for both the land acquisition and for the facilities need to be refined. If land acquisition is to be completed prior to the completion of the feasibility analysis, there

should be adequate documentation of the land values which could be recaptured through resale if the project proves to be infeasible.

7. Operational criteria: The proposed operations of the project, especially the timing and control of delta diversions to storage and the timing and control of releases of stored water need to be better defined. These also need to discuss the relationship to CVPIA and AFRP actions in the Delta.

8. Feasibility: In addition to environmental impacts, yield, local impacts, and costs, other issues may affect the feasibility of the project. These need to be more fully addressed unless the costs of land acquisition can be repaid if the project is found to be infeasible.

9. Alternatives: Other potential groundwater conjunctive use sites alternatives should be briefly surveyed and compared to Madera Ranch.

10. NEPA compliance: A NEPA compliance strategy satisfactory to the Attorney General's office and to the Interior Solicitor's office needs to be developed.