



Memorandum

Date: May 10, 1999

To: CALFED Policy Group Co-Chairs

From: Lester A. Snow, Executive Director
CALFED Bay-Delta Program

Subject: Key Decisions and Issues at the May 13 Policy Group Meeting

The primary objective of the Policy Group meeting on May 13 is to obtain Policy Group consent to print the revised draft EIS/R on June 1st. Nested within this overall objective are several critical policy decisions which the Policy Group must make on Thursday. These decisions are described here. Decisions numbered 1-4 will be the most time-consuming. We have allotted most of the meeting on Thursday to these discussions. Decisions 5-8 are more "consent calendar" in nature, i.e., they should not require significant discussion time.

1. Decision: Approve CALFED recommendation on proposed South Delta improvements.

Background: This issue has been discussed thoroughly in the weekly Small Group meetings for the past two months. The proposed package of improvements has been modified through extensive technical review by both fisheries and operations agencies. The Policy Group should select a South Delta approach both for the Stage 1 actions and to satisfy a commitment under VAMP discussion.

2. Decision: Approve CALFED recommendation to continue work on developing the Environmental Water Account.

Background: The Quinn-Spear group, established in December 1998, has overseen the work of the DNCT on developing a feasible Environmental Water Account (EWA). Ron Ott of the team will present the results of the most recent gaming exercises along with the identification of essential features of the Stage 1 EWA.

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

Both the South Delta improvements and the Environmental Water Account are essential components for implementing the Preferred Program alternative.

3. Decision: Review 1999 Ops Plan and consider acquisition of water for fisheries purposes

Background: This is an evolution of the B(2) discussion from the April Policy Group meeting. The current view is that the operations plan and acquisition are separate items and that any acquisition is justified on fisheries only.

4. Decision: Approve draft MOA for 404 Compliance

Background: CALFED lead agencies and the State Attorney General's office have completed the draft MOA which will be discussed with the Policy Group on Thursday.

5. Decision: Approve the Water Management Strategy objectives and the Integrated Storage Investigation approach. Provide preliminary direction on the policy assumptions to drive the final analyses in the Economic Analysis of Water Management Alternatives.

Background: CALFED staff have worked closely with a small group of stakeholders to expand and refine the objectives of the Strategy which were originally published in the December 1998 Phase II Report. The objectives establish the basis for all of the proposed water management strategy actions and as such provide the foundation for refinement of the Strategy over the next four months.

The Integrated Storage Investigation establishes the CALFED approach to evaluating the range of storage options in a manner consistent with the overall Water Management Strategy. With Policy Group approval, this approach will be included as part of the Water Management Strategy in the revised draft EIS/R.

The Policy Group was briefed at their April 15 meeting on the set of policy assumptions which have been used to develop various water management scenarios and cost/benefit analysis in the Economic Analysis effort. Staff working on this effort are looking for some preliminary direction from the Policy Group to help establish the bookends for their final cost analyses, which should be completed by September 1999.

6. Decision: Approve Preferred Program Alternative Description

Background: The Preferred Alternative Description is the legal language which will appear in the EIS/R summarizing the general parameters of the Preferred Program

Alternative. This description has been reviewed, edited and refined by both staff and policy level representatives of the CALFED lead agencies. As such, there should be minimal controversy over this item.

7. Decision: Approve draft Conservation Strategy

Background: The Conservation Strategy has been under development for the past two years. The draft plan has been circulated to all CALFED agencies in the administrative draft of the EIS/R and had been receiving comment through this week. The Policy Group will also be briefed on the critical issue of ensuring integration of the Conservation and the ERP.

8. Decision: Approve CMARP

Background: Policy Group received a copy of the February 1999 CMARP report at the March 10, 1999 meeting. With Policy Group approval, the CMARP report will be included as an appendix in the EIS/R.

Additional Meeting Agenda Notes:

Note: A select number of Policy Group members representing the CALFED lead agencies are scheduled to meet on May 24 from 1-4 p.m. to work through the revisions to the Phase II Report.

Notes for Chair's Comments at the meeting:

1. Follow-up on Battle Creek restoration project: status of MOU
Kirk Rodgers, USBR, will update the Policy Group on the status of the Battle Creek MOU. At the April 15 meeting the Policy Group had provided a thirty-day extension to acquire the necessary signatures for the MOU, thereby releasing the \$28 million of CALFED restoration monies.
2. Memos on the Water Transfers Program and the Water Use Efficiency Program are provided in the Policy Group packet. They are information only; however, CALFED staff will be present to answer questions which may arise.