



Memorandum

Date: September 22, 1999

To: CALFED Policy Group

From: Lester A. Snow
Executive Director

Subject: August 12 Policy Group Meeting Summary

Policy Group participants: Resources Secretary Mary Nichols (Co-chair); Assistant Secretary of the Interior Patty Beneke (Co-chair); Ryan Brodrick, State Department of Fish and Game; Tom Hannigan, Department of Water Resources; Luana Kiger, Natural Resources Conservation Service; Jim Lecky, National Marine Fisheries Service; Peter Madsen, U.S. Army Corps of Engineers; Felicia Marcus, U.S. EPA; Earl Nelson, Western Area Power Administration; Walt Pettit, State Water Resources Control Board; Brad Powell, U.S. Forest Service; Kirk Rodgers, U.S. Bureau of Reclamation; Mike Shulters, U.S. Geological Survey; Mike Spear, U. S. Fish and Wildlife Service.

Senior Policy Group staff participants: Alf Brandt, Department of Interior (DOI); David Cottingham, DOI; Steve Shaffer, California Department of Food and Agriculture; Patrick Wright, State Resources Agency.

BDAC member participants: Chair Mike Madigan; Vice-chair Sunne McPeak; Roberta Borgonovo, California League of Women Voters; Tom Graff, Environmental Defense Fund; Alex Hildebrand, Delta farmer; Pat McCarty, Delta Protection Commission; Robert Meacher, Plumas County supervisor; Ann Notthoff, Natural Resources Defense Council; Pietro Parravano, Pacific Coast Federation of Fishermens Associations; Mike Schaver, Big Valley Rancheria; Brenda Southwick, California Farm Bureau Federation.

The following is a brief summary of outcomes and actions from the first CALFED Policy Group public meeting held on Thursday, August 12th in Sacramento. This summary includes some of the comments made by Policy Group members, BDAC members, and members of the public.

Executive Director's Report

Lester Snow presented the first Executive Director's report to the Policy Group. He remarked that this report will be a standing agenda item at all Policy Group meetings, bringing increasing detail on selected aspects of the program at each meeting.

CALFED Agencies

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

Federal
Environmental Protection Agency
Department of the Interior
Fish and Wildlife Service
Bureau of Reclamation
U.S. Geological Survey
Bureau of Land Management
U.S. Army Corps of Engineers

Department of Agriculture
Natural Resources Conservation Service
U.S. Forest Service
Department of Commerce
National Marine Fisheries Service
Western Area Power Administration

Integrated Storage Investigation

Mark Cowin reported that CALFED would have an indication about the role of storage in CALFED by the end of December. BDAC member, Tom Graff raised the question of whether there was any way to accelerate CALFED's hydro re-operation investigation, to keep pace with activities in the legislature. Mark Cowin responded that CALFED would have an interim report by the end of the month, and could provide progress reports at any point.

BDAC Vice-chair Sunne McPeak raised the question of convening a stakeholder advisory group on the ISI effort. Lester Snow acknowledged the need for a technically based stakeholder work group on ISI.

Secretary Nichols also added that this is an issue of great interest to the Policy Group as well. She inquired as to what type of mechanism was in place, or could be developed at CALFED, to assist the Policy Group in obtaining an early understanding of the issues at a technical level.

Additional comments on the Executive Director's Report

Jerry Johns presented and distributed copies of the State Water Resources Control Board's new Water Transfers Guide.

Felicia Marcus stated that the environmental community has to be involved in any drinking water quality and/or water operations work groups.

Interim Governance

Lester Snow sought Policy Group approval of a proposed set of changes to the Framework Agreement necessary to implement the Policy Group's prior decision on an interim governance structure. The changes included proposed official Policy Group membership and a federal-state consensus decision rule.

Discussion ensued as to BDAC participation in the Policy Group deliberations, as well as the implications for BDAC's overall role in CALFED. BDAC Chairman Mike Madigan noted that from his standpoint, BDAC would continue to function as the primary public input into CALFED, and as such would continue to meet on a regular basis. BDAC Vice-chair Sunne McPeak noted that BDAC needed to function more as originally intended, to serve as a forum in which diverse groups would move toward consensus on CALFED policy matters, e.g., watershed management. Lester Snow remarked that up to the Record of Decision the role of BDAC will become even more important.

Discussion continued on the necessity for improved coordination between the federal and state agencies. BDAC Vice-chair McPeak noted that in addition to the provision of "no impairment of existing authority," the federal and state agencies needed to commit to vigorous coordination prior to decisions, and to a process for resolving disputes as they arise.

Action: Policy Group approved the interim governance plan.

Restoration Coordination

Wendy Halverson-Martin presented five items for Policy Group discussion and approval:

- Approval of the revised proposal selection process for FY 2000
- Preliminary approval of the priorities for funding for FY 2000
- Approval of the Yuba Tools FY 1999 proposal
- Approval of an Operations and Maintenance contingency fund for the Liberty Island acquisition
- Approval of additional FY 1999 funding for watershed management projects, subject to Ecosystem Roundtable and BDAC review and approval

FY 2000 Project Selection Process

The Ecosystem Roundtable recommended concurrence with conditions on the proposed selection process. CALFED staff sought Policy Group approval on the concept. David Cottingham noted that the proposed process went a long way to reducing the disconnect between CALFED and Congressional funding processes. He urged CALFED to continue to identify large capital projects in its submissions to Congress, as well as those that are multi-year in nature.

Action: Approval of proposed project selection process

FY 2000 Funding Priorities

CALFED sought concurrence from the Policy Group for public review of the proposed funding priorities for FY 2000 at a workshop scheduled for August 31, and final Policy Group approval at the September Policy Group meeting.

Mary Nichols raised the question of how monitoring was integrated into the proposed priorities. Wendy Halverson-Martin replied that the priorities call for funding for development of protocols and monitoring indicators, as well as some research on types of monitoring, particularly as CALFED moves from specific projects to regional monitoring.

Jim Lecky expressed concern that screening of diversions was falling off the table. Wendy Halverson-Martin replied that CALFED is attempting to find the scientific and policy balance.

Mike Spear pointed out that as the Policy Group is beginning to see bundling of actions, it was important that the Policy Group be confident that CALFED is making the right sort of commitments and is building assurances that actions are linked. He went on to say that FY 2000 may be a reduced funding year, and that solicitation should include how much money in total is required to perform the selected actions.

Steve Shaffer asked that the Policy Group be informed as to how monitoring and adaptive management principles are built into the priorities.

BDAC member Brenda Southwick requested that environmental review of agricultural land acquisition and conversion and agricultural land mitigation be added as a priority. BDAC member Pat McCarty said he would like to see what funds were available and how priorities were being funded.

Action: Concurrence on process to establish FY 2000 priorities.

Other Restoration Coordination Actions

Action: Approval of Yuba Tools

Action: Approval of Liberty Island operations and maintenance contingency fund

Action: Approval of additional watershed management projects for FY 1999 funding

Tribal Involvement in CALFED Bay-Delta Program

Alf Brandt reported that the federal agencies would be holding a consultation on California tribal involvement in CALFED on September 2nd. He welcomed the state resources agencies' participation. The consultation has three objectives: dialogue with the invited tribes, identification of tribal interests in CALFED, and determination of how--and in what CALFED programs--the different tribes would like to participate.

Environmental Water Account

Ron Ott, Mike Spear, and Tim Quinn made a presentation on work-to-date on the Environmental Water Account. Ron Ott's presentation included a description of the current proposal for establishment of an Environmental Water Account Development Team, to begin work immediately.

The EWA Development Team tasks will include:

- Default operating requirements
- Relationship of the EWA to ESA/CVPIA
- Relationship to State/federal programs
- Stage I assets and sharing between EWA and the water users
- Decision-making
- Financing the EWA

The role of the EWA leader will include: overall direction of the EWA, including direction of task leaders responsible for assets acquisition, decision-making and financing; 1999-2000 asset development; and assurance of coordination of EWA with CVPIA B (2) and other programs.

The EWA package needs to be developed by December 12, 1999.

Mike Spear noted that the key issue for both fisheries agencies and water users is assurances. Tim Quinn acknowledged that creation of an Environmental Water Account will involve acquiring a lot of water upstream, and that CALFED has to understand the fear factor among upstream communities. He expressed a desire to see Governor Davis and Secretary Babbitt embrace this aggressive schedule.

South Delta and Lower San Joaquin River Improvements

Steve Ritchie made a presentation on the current proposed South Delta/Lower San Joaquin River package of actions. CALFED sought concurrence from the Policy Group on three aspects of the South Delta bundle of actions:

- Concurrence on the general approach
- Approval of initiation of project-level efforts
- Approval of initial funding commitment for design of Tracy fish screens

Lester Snow pointed out that Policy Group approval of the proposed project-level environmental documentation would not preclude changes to any of these studies as the programmatic EIS/R moves toward the Record of Decision.

Steve Shaffer noted that CDFA will continue to raise issues regarding agricultural land conversion, and also supports moving forward.

Several representatives of South Delta interests raised their objections to the package.

Secretary Nichols noted that in order to move forward, CALFED will likely make decisions that will receive significant but not unanimous support. She proposed an amendment to the Policy Group actions, as noted below.

Action: Policy Group concurrence with the proposed general approach, including specific commitment to, and a process for, resolving disputes with those stakeholders who may remain in opposition.

Action: Approval to initiate project-level environmental documentation activities

Action: Approval of \$5.7 million for funding design of pilot Tracy Fish facility.

Sacramento-San Joaquin River Basins Comprehensive Flood Control Study

The Policy Group received a briefing on the Comprehensive Study, with some discussion of how this study overlaps with CALFED flood management actions in the Delta.

Additional BDAC Comments

Roberta Borgonovo, California League of Women Voters, BDAC member, noted that she wanted to see an equal amount of CALFED resources devoted to the Water Use Efficiency and Water Quality Programs as are currently committed to the Integrated Storage Investigation effort.