



Memorandum

Date: December 6, 1999
To: CALFED Policy Group
From: Steven R. Ritchie
Acting Executive Director 
Subject: November 17, 1999 CALFED Policy Group Meeting Summary

The following is a summary of issues discussed and outcomes and actions taken at the November 17th meeting of the CALFED Policy Group.

Policy Group participants: Patty Beneke, Assistant Secretary of the Interior; Alf Brandt, DOI; Ryan Broddrick, DFG; David Cottingham, DOI; Luana Kiger, NRCS; Jim Lecky, NMFS; Steve Macaulay, DWR; Felicia Marcus, USEPA; Phil Metzger, USEPA; Mary Nichols, Resources Agency Secretary; representative of the USFS; Steve Ritchie, CALFED; Lester Snow, USBR; Mike Spear, USFWS; Steve Stockton, USACE; Bill Vance, Cal-EPA; Nancy Werdel, WAPA; Patrick Wright, Resources Agency; A.J. Yates, DFA.

BDAC participants: Byron Buck, CUWA; Roger Fontes, Northern California Power Agency; Alex Hildebrand; Pat McCarty; Mike Madigan, Chair; Sunne McPeak, Vice chair, BDAC; Ann Notthoff, NRDC; Mike Schaver, Big Valley Rancheria; Brenda Southwick, California Farm Bureau Federation.

CALFED Long-term Governance

Kate Hansel of the CALFED staff gave a briefing on progress to date in development of the proposal for long-term CALFED governance. She noted the areas of general agreement, as follows:

1. Creation of a new CALFED commission for program oversight
2. This Commission should be a joint federal-state entity
3. The Commission requires sufficient authority to carry out all of the Program objectives.
4. External science review is an essential component of successful implementation of the Program.

Kate went on to describe and discuss the issues that remained unresolved as of November 17. Those included the following:

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
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1. Management of each Program area: Should management remain with the Commission or within existing agencies?
2. Authority: The Commission's authority needs to be much more defined.
3. Membership: What should the composition of the Commission be?
4. Funding flow: What funds should be appropriated to the Commission and what funds should go directly to existing or new agencies?
5. Should there be a separate entity for the ERP?

Discussion ensued on all issues. With regard to the question of a separate ERP entity, Joe Bodovitz, former Director of the PUC and of the Coastal Commission and currently consultant to CALFED on governance, commented that the separate entity issue is really the issue of its functions, authorities and funding. Advocates of a separate ERP entity are concerned that without its own entity the ERP would not have the same voice as other programs that already reside within one existing federal or state agency.

Lester Snow noted that in the final analysis, the legislature would decide the structure for long-term governance. Mary Nichols added that Assemblyman Machado has a pre-print that he has indicated will be the subject of upcoming hearings. She also noted that the Governor supports this approach

Assistant Secretary Beneke stated that the federal government is on a parallel track, and that they will be working with the California Congressional delegation. She added that with regard to funding, the Policy Group needs to get a better handle from the various appropriations committees on what type of funding flow they feel comfortable with.

Mary Nichols remarked that the structure should be strong enough to hire an extraordinarily talented Executive Director. She encouraged CALFED staff to interview a couple of people who have been Executive Directors of new entities to get their perspectives.

Phil Metzger pointed out the importance of clarifying the Commission's relationship to outside agencies and entities, e.g., the State Department of Health Services, specifically with regard to its authority over drinking water standards and activities in California.

Mike Spear pointed out the need for more specific description of existing programs and how they related to one another. He suggested that it may be easier to come to grips with a Commission model and its functions if we narrow the range of CALFED agencies and have a debate over whether they should be included or not in the Commission.

BDAC Comments:

Mike Madigan, BDAC Vice chair, made comments regarding the importance of appointing talented people. He noted that this entity will not get power initially, that power will come over time as the Commission shows its effectiveness, and that its initial effectiveness has to do with the talent of the people appointed.

Hap Dunning, Co-chair of the BDAC Governance Work Group, commented that CALFED should pay particular attention to the question of a separate ERP entity. He also urged CALFED not to abandon the possibility of a conservancy nested within the Commission.

Mike Schaver, Big Valley Rancheria, made comments on the question of membership on a CALFED governing commission. He stated that California tribes ought to have parity in representation. He suggested three regional tribal jurisdictions (North, Central and South), each of which could meet and appoint tribal members to the Commission. He went on to suggest drafting a "nation-to-nation" agreement to memorialize tribal involvement in long-term governance.

Selected Public Comment:

Laura King, San Luis Delta Mendota Water Authority, stated that the ag-urban coalition had not been very engaged on this issue and will begin to be.

Greg Zlotnick, Board of Directors, Santa Clara Valley Water Authority, stated that his agency supports the concept of a separate ERP entity.

Michael Umbrello, native American, stated that there should be at least six tribal representatives on a CALFED Commission.

Action: No action, information/discussion only.

FY 2000 Priorities

Steve Ritchie presented CALFED's proposal for expenditure of the \$30 million of federal non-ecosystem funds appropriated for FY 2000.

Patrick Wright pointed out that the reduced funding this year emphasizes the need for crosscut agency funding.

Selected Public Comment:

Tom Zuckerman, Central Delta Water Agency, noted that the Policy Group had previously approved \$2 million for the U.S. Army Corps of Engineers re-build a levee on Prospect Island out of ecosystem restoration funds. Mr. Zuckerman requested that the Corps be asked to replace that money with current levee money available in its budget this year and thereby enhance FY 2000 ecosystem funding.

Mary Anne Dickinson, Executive Director, California Urban Water Conservation Council, requested that FY2000 funds include greater commitment to conservation. She requested that the Policy Group consider allocating some of the proposed conservation funding for the CUWCC to help the organization to prepare for its role as certification coordinator for the urban Water Use Efficiency Program. [Note: The Policy Group has not made a determination as to the role of the CUWCC as certification coordinator.]

Cynthia Koehler, Save San Francisco Bay Association, noted the importance of balancing political accountability with grounding in good science.

Leah Wills, Plumas County, supported broad-based independent science review with public input. She supported BDAC, and urged CALFED to find ways to include local government before going into implementation.

Action: State-federal concurrence on FY 2000 spending proposal. At Patty Beneke's

request, Steve Ritchie will come back to the December 15th Policy Group meeting with more detail regarding spending, program by program.

Ecosystem Restoration

The Policy Group was asked to approve the proposed funding package for FY 2000 projects. This proposal included additional watershed projects under FY 1999 funding. This proposal had been reviewed and supported by BDAC at their meeting on October 28th.

Delta Protection Commission Concerns

A specific concern was raised regarding three Delta land acquisition proposals. Patrick Wright and Mary Nichols expressed a desire to heighten the role of the Delta Protection Commission in reviewing CALFED projects proposed in the Delta.

Mary Nichols stated that the state was interested in adding the Delta Protection Commission to the CALFED Policy Group.

Science and Monitoring Component

Significant discussion ensued on the science and monitoring component of the proposed package. Three outstanding issues were identified:

1. The role of CMARP in CALFED science and monitoring
2. The relationship of CMARP to the CALFED science program
3. The need for the development of more specific work plans

Wendy Halverson Martin stated that further work would be done to address these three issues, and that the Science and Monitoring component would be brought back the Policy Group on December for approval.

Environmental Water Acquisition

Discussion also ensued among Policy Group members and Co-chairs of the Ecosystem Roundtable on the proposed funding for environmental water acquisition. Ecosystem Roundtable Co-chair

Gary Bobker made the following comments:

- CALFED needs to honor its current advice and decision-making process. He urged that if CALFED wants to make a change in proposed project funding, then CALFED should use the existing process to make that change.
- The Policy Group needs to be sure that its priorities are made clear to the Roundtable up front.
- CALFED needs to honor its funding commitments. With regard to environmental water acquisition, CALFED does not have yet to develop a framework, nor has it identified stable funding source for environmental water acquisition. He urged CALFED to develop this framework. Co-chair Greg Gartrell concurred. Steve Ritchie strongly agreed.

CALFED Recommendation:

1. Approve the proposed funding package, with conditional approval for the three Delta projects subject to further review by the Delta Protection Commission.
2. Defer a decision on the Science and Monitoring component to December 15th.

3. Approve FY 1999 Watershed Projects
4. Develop a framework for Environmental Water Acquisition.

Action: Federal/state concurrence.

Action: The Policy Group agreed to pursue adding the Delta Protection Commission to the Policy Group.

Year 2000 Water Operations

Steve Macaulay presented the proposed federal/state approach to improving water operations in the coming year. He asked that the Policy Group give concurrence on using \$10 million of CALFED funds to initiate water or water storage acquisitions as part of the overall 2000 strategy. Kathy Kelly described the specific actions under consideration, which also include use of a joint point of diversion from February through mid-April 2000.

Action: State/federal concurrence.

Stage 1 Water Management and the Environmental Water Account

Ron Ott provided a briefing to the Policy Group on progress to date in developing an Environmental Water Account framework for the year 2000 and early Stage 1. Tom Hagler noted that the modeling results are encouraging and show potential for both environmental and water user supply. He cautioned that the results were modeling results only, and used somewhat simplified assumptions.

Ann Notthoff, BDAC member, and Barry Nelson of NRDC commented that from their perspective the models showed no CALFED actions that benefit the environment, that the issue of baseline still has yet to be addressed

Mary Nichols responded by commenting that the debate on "baseline" reminded her of the air pollution credit exchange debate. She then advised stakeholders, both environmentalists and water users, to think more broadly about the purpose of the Environmental Water Account rather than the more narrow issue of the baseline.

Mike Spear noted that much greater stakeholder involvement is desirable in the technical modeling work.

Action: Federal/state concurrence on approach. Federal/state concurrence on \$10 million for water actions.

Water Management Strategy

Mark Cowin briefed the Policy Group on progress to date on development of the conceptual decision-making framework for CALFED's water management strategy. Outcomes and recommendations from the current stakeholder work effort on developing clear water management objectives and performance measures will be presented to the Policy Group on December 15th.