



E-008107



Memorandum

Date: February 14, 2000

To: CALFED Policy Group

From: Steven R. Ritchie
Acting Executive Director

Subject: Executive Director's Report

The purpose of this Executive Director's Report is to brief the Policy Group on recent activities in the CALFED Program. This report provides information on aspects of the Program that are not included on the agenda for the Policy Group meeting on February 23, 2000.

Recent Developments

1. Federal Budget

The President's budget released on February 7 proposes \$36 million for CALFED ecosystem restoration activities and \$24 million for all other CALFED program elements. Up to \$5 million of the \$60 million total would be available for planning, management and program coordination. This proposal includes a provision for extension in the term of the Bay-Delta Act funding (which authorizes funds for ecosystem restoration purposes only) through FFY 2003, with no annual ceiling on authorized amounts. Congress began their review of the President's budget proposal last week.

2. State Bond Measure

On March 7, 2000, California voters will vote on ballot Proposition 13, the "Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Act." The bond provides large amounts of funding for several high-priority categories of CALFED early Stage 1 actions. Passage of the bond would allow CALFED to move forward quickly on these actions with a Record of Decision this summer.

Proposition 13 provides \$250 million in direct funding of CALFED programs, including:

- In-Delta agricultural drainage improvement (\$17 million)
- Low dissolved oxygen amelioration in the Delta (\$40 million)
- State Water Project/Central Valley Project fish facilities (\$120 million)
- South Delta barriers (\$40 million)
- Abandoned mine drainage (\$17 million)
- Grant Line Canal barrier (\$16 million)

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

Related funding proposed in the bond includes the following:

- \$180 million to loan and grant program to local agencies for projects outside the Delta to increase water supplies, enhance reliability or improve water quality
- \$200 million for groundwater storage projects
- \$30 million for Delta levees rehabilitation (part of the flood protection program)

Recent Program Activities

Since my report to you last month, CALFED staff have focused primarily on completing their responses to the over ten thousand comments received on the draft EIS/R. Staff has begun work on the final Phase II Report, which will be ready for agency review by the end of this month. Additional specific program activities include the following:

1. Water Transfers Program

CALFED and CALFED agency staff are developing the "On Tap" water transfers information web-site, set to be made public this summer. CALFED staff and agency representatives have also begun informal discussions with stakeholders as the first step in forming a "user" group. An official user group will be established soon, with representatives from a broad array of stakeholders who most likely will use the web-site.

CALFED staff continues to refine the June 1999 Water Transfer Program Plan to reflect changes made in response to public comments and to reflect more detailed work completed by CALFED staff and agency representatives. This revised document will be released as an appendix to the final Programmatic EIR/EIS.

2. CALFED Long-term Governance

CALFED staff are in the process of refining the Proposal for Long-term Governance that will be included in the Final EIS/EIR. Later this spring, BDAC will be asked to review and comment to the Policy Group on the proposal. The staff anticipates that a final proposal will be completed by the time of the signing of the Record of Decision.

The California State Legislature has again registered its interest in CALFED governance. Assemblyman Machado introduced AB 1839 as a "spot" bill that establishes a CALFED Bay-Delta Commission (see attached). In addition, the Assembly and Senate Water Committees will be convening a joint hearing on CALFED Governance and Finance on February 29, 2000.

3. Water Management Strategy Evaluation Framework

CALFED is developing a Water Management Strategy Evaluation Framework that will: (1) document a comprehensive hierarchy of objectives for the CALFED Program, (2) establish well-defined measures of performance associated with the achievement of objectives, and (3) provide a basis for comparison of alternative long-term water management strategies. Because so many Bay-Delta issues are inter-related, Program decisions must be considered in the context of effects on all Program objectives and solution principles. CALFED's "scorecard" of predicted performance measures will include estimates of regional quantities.

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and costs of consumptive water supplies, regional water quality, water use efficiency and recycling measures, and regional water transfers. The "scorecard" will also report on secondary effects such as land use and employment changes and relative benefits towards ecosystem restoration goals.

As a starting point, alternatives were formulated to describe three preliminary WMS approaches. All three alternatives include significant new investments in water use efficiency measures, implementation of locally-controlled groundwater conjunctive use programs, transfer of water from agricultural to environmental uses (on a compensated basis), and shortages of water supplies in the driest years. As formulated, these alternatives represent choices in levels of investment in water use efficiency and recycling, surface storage, and measures to limit reallocation of agricultural water supplies.

Evaluation of the predicted performance measures for these initial WMS alternatives is proceeding. Modeling of SWP and CVP project operations, regional transfers, Bay-Delta hydrodynamics, water quality impacts, and urban economics has been completed. Modeling of land use changes and agricultural socioeconomic impacts is underway. Summary information from all of these efforts will be generated over the next several weeks to complete the "scorecard" and illustrate tradeoffs associated with the alternative WMS approaches. CALFED staff plan to present the preliminary "scorecard" to the Policy Group at its meeting in March.

Attachment