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IN RE THE MEETING OF THE )  
BAY-DELTA ADVISORY COUNCIL )  
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**ORIGINAL**

TRANSCRIPT OF PROCEEDINGS  
Sacramento Convention Center  
13th & K Streets  
Sacramento, California 95814

Friday, September 20, 1996 at 10:15 a.m.

REPORTED BY: SUSAN PORTALE, CSR NO. 4095, RPR, CM

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PORTALE & ASSOCIATES (209) 462-3377

1 COUNCIL MEMBERS:

2 MICHAEL MADIGAN, Chairman, California Water  
3 Commission

4 LESTER SNOW, Executive Director

5 SUNNE McPEAK, Bay Area Economic Forum

6 ERIC HASSELTINE, Contra Costa Council

7 JACK FOLEY, Metropolitan Water District of  
8 Southern California

9 ALEX HILDEBRAND, South Delta Water Agency

10 TOM MADDOCK, California Chamber of Commerce

11 BOB RAAB, Save San Francisco Bay Association

12 RICHARD IZMIRIAN, California Sportfishing  
13 Protection Alliance

14 ROGER STRELOW, Beveridge & Diamond

15 ROSEMARY KAMEI, Santa Clara Valley Water  
16 District

17 DAVID GUY, California Farm Bureau Federation

18 TOM GRAFF, Environmental Defense Fund

19 JUDITH REDMOND, Community Alliance with Family  
20 Farmers

21 ROGER THOMAS, Golden Gate Fishermen's  
22 Association

23 HARRISON (HAP) DUNNING, Bay Institute

24 ROBERTA BORGONOVO, League of Women Voters

25 LELAND LEHMAN, California Waterfowl Association

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COUNCIL MEMBERS: (cont'd)

- PAT McCARTY, Delta Protection Commission
- TIB BELZA, Northern California Water Association
- MARCIA SABLAN, Mayor of Firebaugh
- ROGER PATTERSON, Designated Federal Official
- MICHAEL MANTELL, Designated State Official
- ROBERT MEACHER, Regional Council of Rural Cities
- PATRICK WRIGHT
- MICHAEL STEARNS, San Luis Delta Mendota Water  
Authority
- STUART PYLE, Kern County Water Agency
- RAY REMY, Los Angeles Area Chamber of Commerce
- MARY SELKIRK, East Bay Municipal Utility  
District

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1 (All parties present, the following proceedings were  
2 had at 10:15 a.m.):

3

4 CHAIRMAN MADIGAN: Good morning, Ladies  
5 and Gentlemen.

6 This is the previously noticed September 20,  
7 1996 meeting of the Bay-Delta Advisory Council here in  
8 Sacramento.

9 I'm Mike Madigan.

10 It is a pleasure to welcome all of you who have  
11 not been here previously and for those who have been here  
12 previously it's nice to see you, anyway.

13 Let me start off by indicating to those members  
14 of the BDAC that we have two new members, and one of whom  
15 is here today, and that's Supervisor Robert Meacher, of  
16 Plumas County, who is representing the Regional Council Of  
17 Rural Counties.

18 Supervisor, welcome. I look forward to working  
19 with you and I'm sure that you have gotten plenty of  
20 homework assignments already. So you probably won't be  
21 seen much by your friends for a while, but we will look  
22 forward to working with you.

23 Is there anything you'd like to tell us about  
24 your hopes or views or aspirations?

25 This is a good time to do it.

1 MR. MEACHER: I think I'll wait until I  
 2 get through my learning curve here.  
 3 CHAIRMAN MADIGAN: Actually, kind of like  
 4 get knowledgeable first and then say something.  
 5 I don't know if you are going to fit in around  
 6 here or not.  
 7 MR. MEACHER: I don't want to start off by  
 8 sticking my foot in my mouth.  
 9 CHAIRMAN MADIGAN: Well, okay. That's a  
 10 first.  
 11 Also, we will be joined by Marcia Brockbank  
 12 from the San Francisco Estuary Project. She is not here  
 13 today, as I understand it.  
 14 She is actually having a marriage in her living  
 15 room today and that was considered an acceptable excuse,  
 16 and she'll join us this next time around.  
 17 At a meeting earlier this year you will recall  
 18 that Lester discussed the formation of the ecosystem  
 19 round-table and that this group would be a subcommittee of  
 20 the BDAC and would function to assist the CalFed  
 21 organization and the coordination of existing programs and  
 22 new programs for habitat restoration to ensure that they  
 23 are consistent with the long-term restoration goals of the  
 24 CalFed Bay-Delta Program.  
 25 I suspect that most of you are now aware that I

1 downstairs is.  
 2 MR. SNOW: If lunch is involved, yes.  
 3 CHAIRMAN MADIGAN: If lunch is involved,  
 4 Lester will know. Good, okay.  
 5 For those of you who wish to make public  
 6 comment I would ask -- and that is important to us and we  
 7 would encourage your comment I would ask that you do a  
 8 couple of things.  
 9 One is if you haven't previously given us your  
 10 address and your affiliation, fill out one of the cards  
 11 with that information on it so that we have it on file.  
 12 That way we can check up on you late at night  
 13 and things of that sort.  
 14 I would hope that you would comment as each  
 15 item is discussed because there will be a opportunity for  
 16 public comment on that item during the course of that item.  
 17 For those of you who have a general comment  
 18 that you wish to make we will also be pleased to provide an  
 19 opportunity for that comment, but it is encouraged, and any  
 20 time that you can provide that in writing as well, that is  
 21 most helpful to everybody on the Council.  
 22 The next meeting of the BDAC is scheduled for  
 23 Thursday, November 21st at the Burbank Hilton. I'm  
 24 excited, and that it will be followed by a meeting in  
 25 January at a location yet to be determined.

1 have appointed 18 representatives to that ecosystem  
 2 round-table and that that organization will begin meeting  
 3 in late October.  
 4 Membership is not closed. As those of you who  
 5 represent organizations or constituencies who have a wish  
 6 to participate, if you would let us know, I would be most  
 7 appreciative.  
 8 I mean, that organization can certainly grow.  
 9 Hell, I'm not chairing it.  
 10 Walt, the more the merrier, right?  
 11 The Chair has not been appointed yet? It will  
 12 shortly.  
 13 Most of the material was sent to all of you  
 14 this last week for this meeting.  
 15 For those of you in the general public who are  
 16 wondering about some of the issues that we'll be discussing  
 17 today and some of the material that we have, copies of that  
 18 information is available -- are available at the  
 19 registration desk just outside here.  
 20 Lunch will again be served to members of the  
 21 BDAC. It says here downstairs.  
 22 I have no idea where downstairs since I didn't  
 23 know where upstairs was this morning but I followed several  
 24 of you here and you seemed to know where you were going.  
 25 Presumably, Lester, somebody knows where

1 So we look forward to a warm welcome ray from  
 2 Southern California for the next meeting of the BDAC.  
 3 Thank you.  
 4 Those of you on the BDAC who have comments on  
 5 various matters it's also really helpful if you provide  
 6 those in writing.  
 7 I have received by way of communication a  
 8 letter from the Community Alliance For Family Farmers  
 9 indicating their desire, Lester, to have somebody on the  
 10 ecosystem round-table, and presumably that can be worked  
 11 out.  
 12 There are rules, as most of you know, for that  
 13 sort of participation, but to the extent that you have  
 14 people who qualify, that's -- that's the only thing that's  
 15 required.  
 16 Okay. The role of BDAC in Phase 2.  
 17 For those of you again in the audience who are  
 18 here for the first time we have gone through an extensive  
 19 Phase 1 process, and have, among other things, narrowed a  
 20 list of alternative ways of dealing with the issues arrayed  
 21 for CalFed and we have provided advice to CalFed on those  
 22 various alternatives and have recommended to CalFed that  
 23 they pursue in greater depth three of those alternatives,  
 24 which in some measure were a combination of ingredients  
 25 products based on earlier specific alternatives and they

1 also wound up including certain core issues that would be  
2 dealt with consistently across the various alternatives.

3 Our purpose now changes a little bit in terms  
4 of the role of the BDAC during the Phase 2 process while  
5 CalFed investigates those matters in greater detail and  
6 begins to produce the documents that are required.

7 Since that meeting of July 19th where we gave  
8 our advice to CalFed regarding those draft alternatives we  
9 have transmitted that information in writing to CalFed.

10 I showed up at the CalFed meeting to transmit  
11 the position of this organization and some of you showed up  
12 as well.

13 You are all aware, and I don't see a copy of it  
14 sitting here, but I've got one somewhere, the final  
15 alternatives and that report is available to those of you  
16 in the audience out in front because I know there is a  
17 stack of them out there.

18 There was a press conference held on September  
19 3rd by CalFed to officially move into the Phase 2 process,  
20 and here we are.

21 So what is the role of this group in Phase 2?

22 Number one, and this is no different than in  
23 Phase 1, to ensure that the various issues, policy issues  
24 that are important in this process get debated in public.

25 You have all been good about that, and in that

1 Our job is going to be to focus on policy  
2 issues as they pertain to this debate and to make  
3 recommendations and to advise the CalFed process.

4 We will do all of this through our own  
5 regularly scheduled meetings as well as the regularly  
6 scheduled meetings of the various work groups.

7 Let me stop and ask if there are any questions  
8 about what we believe the role of the BDAC is going to be?  
9 Alex.

10 MR. HILDEBRAND: As you know, I have wrote  
11 a couple letters to Lester requesting that specific policy  
12 issues be put on the Agenda for BDAC discussion.

13 I don't see them on the Agenda and I wondered  
14 whether there is an intent to do so.

15 CHAIRMAN MADIGAN: Yes.

16 MR. HILDEBRAND: When?

17 CHAIRMAN MADIGAN: Now.

18 Do you want to bring them up?

19 I've got a copy of your letter.

20 You are concerned about water transfers and  
21 concerned about the water transfer taking place between ag  
22 and urban and between inner basin transfers.

23 My understanding, my impression is that you are  
24 concerned that those transfers were not a part -- that that  
25 concept of transfer was not a part of the Governor's water

1 role, I believe, you will continue to be as effective and  
2 as useful and as important as you have been in Phase 1 to  
3 continue to advise CalFed on the measures, to ensure  
4 effective public participation and outreach.

5 We are starting to have conversations within  
6 the CalFed process that will effectively directly involve  
7 the rice bowls of a lot of individuals and groups, and it  
8 will become even more important over the ensuing months  
9 that we ensure that the broadest possible public  
10 participation takes place.

11 And as you have all been very good about  
12 representing the views of your constituencies and as many  
13 of you have worked very hard to outreach as a part of the  
14 CalFed process, that, obviously, will need to continue.

15 That we continue to ensure that public values  
16 are a part of the tool kit to determine which of the  
17 alternatives best meets the objectives and the solution  
18 principles which were set forth earlier, to provide advice  
19 on refinement of the various components and during the  
20 conduct of the impact analysis and to help guide the public  
21 through this whole process.

22 It is important to say at this point that BDAC,  
23 as we did not design the first set of alternatives, so we  
24 will not be designing the next set of alternatives.

25 That is the work of CalFed.

1 policy as he articulated in San Diego back a few years ago.

2 I have done my best to go back and refresh  
3 myself on the Governor's water policy address and must  
4 personally confess that I find what we have done so far  
5 with water transfers to be completely in accord with what  
6 he was talking about, but I would be happy to hear an  
7 alternative view of that and maybe would stand to be  
8 corrected if that was not the case.

9 MR. HILDEBRAND: Well, it's not only that.  
10 It goes beyond that.

11 For example, to take one that is less specific  
12 to agriculture for a start, we say we want to have a  
13 durable program here.

14 We have to define what we mean by durable, what  
15 period of time we are talking about, what population do we  
16 anticipate during the course of this durable period, and  
17 then what public needs will there be for food and for  
18 flushing toilets and everything else the public does during  
19 that period, which will be competing with the objectives of  
20 our program and consequently if we don't provide for those  
21 public needs of the larger population, we may not have  
22 durability in what we come up with so that's one example of  
23 things that seem to me have to be examined.

24 CHAIRMAN MADIGAN: All right. You would  
25 like some sense of, as this process moves forward, the time

1 frame that we've incorporated within the solution?  
 2 MR. HILDEBRAND: Yes.  
 3 You haven't defined what time frame we are  
 4 talking about and what the impacts of growing population  
 5 during that time frame will be and how that will impact  
 6 whatever alternatives we come up with, the adequacy of  
 7 those alternatives to indeed be durable.  
 8 CHAIRMAN MADIGAN: All right.  
 9 I am comfortable with that notion.  
 10 MR. HILDEBRAND: All right. Then  
 11 regardless of your interpretation of what the Governor  
 12 said --  
 13 CHAIRMAN MADIGAN: I'm pretty sure about  
 14 some of this stuff, Alex, you'd better be careful here.  
 15 MR. HILDEBRAND: But the fact remains that  
 16 the alternative as now proposed include a number of  
 17 measures which would take land and water away from  
 18 agriculture or benefit other things and those seem to be at  
 19 odds with some of the solution principles that have been  
 20 enunciated and accepted by this organization.  
 21 When you talk about maximizing the potential of  
 22 temporary land fallowing during dry years without a  
 23 comparable thing for other industries, how does that get  
 24 along with the reasonable balance of reliability that's one  
 25 of our principles and avoiding redirected impacts.

1 water transfers.  
 2 He talked about addressing this equal interest  
 3 the water supplies needed for agriculture, urban and  
 4 environmental, and we certainly are not doing that relative  
 5 to agriculture in the proposals we have before us.  
 6 So it isn't just a question of water transfers.  
 7 That's only one of the things that are in here in that  
 8 regard.  
 9 But we have proposals that, for example, in the  
 10 Deltas we have some alternatives on the docket still that  
 11 would shift quite a bit of land from agricultural to  
 12 wetland use.  
 13 We did not address the consequences to water  
 14 supply if you do that.  
 15 Flooded -- if you flood agricultural land, the  
 16 evaporation from that land is far more than the water that  
 17 is used to grow crops, food on the same land.  
 18 And if you then add tuelles on it, it goes up  
 19 again very substantially.  
 20 So there is a question if we are going to  
 21 convert substantial acreages of agricultural land in the  
 22 Delta to wetlands, should part of that proposal include  
 23 mitigating the lost water supply.  
 24 CHAIRMAN MADIGAN: Let me ask --  
 25 MR. HILDEBRAND: You don't mention

1 It seems to me that we are not living up to our  
 2 agreed solution principles in many of these things that are  
 3 in the program.  
 4 CHAIRMAN MADIGAN: Okay. There is one.  
 5 We'll talk about that.  
 6 MR. HILDEBRAND: I divided this up into a  
 7 number of sub-issues, so to speak, in my letter.  
 8 Unless you wish it I won't take time to go  
 9 through every item, but this is the kind of thing it seems  
 10 to me is a policy issue --  
 11 CHAIRMAN MADIGAN: I have no problem with  
 12 that as a policy question.  
 13 I want to make sure that we have some consensus  
 14 around here that, in fact, our alternatives are in concert  
 15 with the solution principles that we adopted earlier or, in  
 16 fact, if they are not, then they should be because we  
 17 haven't done anything to change that policy issue.  
 18 So I do want to discuss that point and any  
 19 other that bears on those kinds of policy questions.  
 20 MR. HILDEBRAND: All right.  
 21 Well, it seems to me if you go down the list of  
 22 some of these things, that what we are doing is not  
 23 consistent with those enunciations, let alone whether they  
 24 are consistent with the Governor's original pronouncement.  
 25 I think the Governor didn't just talk about

1 anything like that.  
 2 CHAIRMAN MADIGAN: That's a good point.  
 3 Let me ask Lester.  
 4 Is the issue of water use for environmental  
 5 purposes and differential impacts on land between  
 6 environmental and agricultural purposes a legitimate  
 7 subject for consideration during the environmental review  
 8 process?  
 9 EXECUTIVE DIRECTOR SNOW: Yeah.  
 10 In fact, that's the primary focus of the Phase  
 11 2 in the environmental process is to look at what could be  
 12 called consequences or impacts.  
 13 What's the impact of conversion of land to say  
 14 tidal wetlands both on water quality, the local economy, on  
 15 other kinds of land use and that's the very thing we need  
 16 to evaluate and document within the Phase 2 process.  
 17 It's not possible to make a judgment about  
 18 whether the conversion is good or bad for water quality  
 19 until you have set up the scenario and analyzed it and so  
 20 that's the phase that we are moving into.  
 21 MR. HILDEBRAND: It would seem to me that  
 22 at this point in time we should at least be acknowledging  
 23 the need to examine these things and the need to do so is  
 24 not mentioned in most of these cases.  
 25 CHAIRMAN MADIGAN: Okay. It is

1 acknowledged and on the record.  
 2 It is a good point and it will be done.  
 3 MR. HILDEBRAND: Another thing has to do  
 4 with restoring the salt balance of San Joaquin Valley.  
 5 On the one hand we seem to be saying that's not  
 6 a BDAC problem. That's out of our area, and, on the other  
 7 hand, we say we'll solve it by fallowing land, which is not  
 8 the only way to solve it and in my judgment not the best  
 9 way to solve it so if you don't solve it you continue to  
 10 have hundreds of thousands of tons of salt coming down the  
 11 San Joaquin River that originally derived from importation  
 12 of salt through the DMC.  
 13 Then this affects the viability of some of the  
 14 alternatives within the Delta we are talking about.  
 15 If you change the circulation of the Delta and  
 16 don't restore the salt load down to what it used to be, you  
 17 don't have a viable solution.  
 18 So I don't see how we can ignore the question  
 19 of restoring salt balance or if we don't ignore it, why we  
 20 should decide there is only one solution to restoring it  
 21 and then namely to take land out of production.  
 22 So that's another example.  
 23 CHAIRMAN MADIGAN: Okay. Let's stop  
 24 there. Lester.  
 25 EXECUTIVE DIRECTOR SNOW: I'll try to make

1 anything in there that resolves the salt balance problem,  
 2 other than land retirement, but I accept your distinction  
 3 between the San Joaquin watershed and the Tulare basin as  
 4 being separate from that. I don't quarrel with that.  
 5 But I do think if you read the thing it  
 6 certainly seems to be slanted toward either not -- just  
 7 keeping the salt out of the river and putting that area of  
 8 agriculture out of business because you don't restore a  
 9 salt balance or alternatively to go on letting the salt  
 10 come down the river.  
 11 So that's another issue.  
 12 CHAIRMAN MADIGAN: And you are concerned  
 13 that the editorial style of the work that's been done so  
 14 far --  
 15 MR. HILDEBRAND: Well, I don't know that  
 16 I'd call it editorial style, but it seems to me that there  
 17 are clear impacts and problems with some of the solutions  
 18 that are proposed and the need to examine other ways of  
 19 doing things and the consequences of doing the things that  
 20 are proposed is not indicated.  
 21 Granted, you can't have a full analysis at this  
 22 time but we should at least be spelling out what are the  
 23 problems associated with doing these things or not doing  
 24 them.  
 25 And I don't think that that's very well

1 this clear so I'm not confusing anybody about this.  
 2 By definition of our problem area and the way  
 3 we are approaching this we have not included the broad salt  
 4 balance issue of the whole San Joaquin Valley.  
 5 We have focused as a water quality issue on  
 6 those agricultural drainage lands that contribute salt load  
 7 to the San Joaquin River.  
 8 There are salt balance issues and drainage  
 9 issues far beyond that which contributes directly to the  
 10 San Joaquin issue -- or San Joaquin River.  
 11 As such we have included a program that would  
 12 address those drainage issues that directly impact the San  
 13 Joaquin.  
 14 We have not included in the program drainage  
 15 problems that are not tributary to the San Joaquin, such as  
 16 in the Tulare area as well as in Westlands, and we have  
 17 defined those as not being part of the program.  
 18 Additionally, on that area that we have  
 19 identified as part of the San Joaquin water quality problem  
 20 land retirement is not by any means the only tool that's  
 21 being evaluated.  
 22 We think that is a significant tool but there  
 23 is many other actions that are being considered as part of  
 24 the effort.  
 25 MR. HILDEBRAND: I am not -- don't recall

1 covered.  
 2 To take one more item, we talked about  
 3 acquiring to quote purchase of water in the San Joaquin  
 4 River system.  
 5 All of the alternatives, I assume we are going  
 6 to acquire 100,000 or 200,000 acre feet of water in the  
 7 San Joaquin River system.  
 8 It doesn't address the fact that if you acquire  
 9 the existing over-committed water supply rather than new  
 10 yield, you inevitably, if you acquire this water for fish  
 11 for the spring you are going to take it away from the  
 12 summer flows and that is a very serious matter because the  
 13 flow of the river is already inadequate to ever even reach  
 14 the Central Delta even if you shut down export pumps, in  
 15 many months of many years now so here again we seem to be  
 16 accepting a proposal without any indication of the need to  
 17 examine the consequences of doing it.  
 18 Sure, it would be nice to have more water for  
 19 fish but you can't have imaginary water and so if you're  
 20 really talking about taking the water away from one use and  
 21 another, changing it from one season to another, you've got  
 22 to face up the fact that this is a big problem.  
 23 I don't see that reflected in the language at  
 24 all.  
 25 CHAIRMAN MADIGAN: That there are

1 consequences of actions?  
 2 MR. HILDEBRAND: Yes, consequences, and it  
 3 may not even be feasible.  
 4 If it is feasible --  
 5 CHAIRMAN MADIGAN: But there may even be  
 6 unacceptable consequences of actions.  
 7 MR. HILDEBRAND: I think there will be  
 8 unacceptable consequences, and yet this is the sort of a  
 9 mainstay that goes through all of the alternatives.  
 10 We are going to solve this fish flow problem by  
 11 buying water on the tributary.  
 12 CHAIRMAN MADIGAN: Lester, how are we  
 13 going to ensure that the consequences of those proposed  
 14 actions are so clearly arrayed that the judgment can be  
 15 made by the BDAC, by the stakeholders, by CalFed and by the  
 16 citizenry as to their -- as to whether or not those  
 17 consequences are unacceptably great?  
 18 EXECUTIVE DIRECTOR SNOW: Well, these  
 19 issues of consequences and impacts are the very purpose of  
 20 the EIR/EIS process and so what we've done in Phase 1 is we  
 21 have tried with the knowledge that we have and information  
 22 we've gathered from our own work as well as people who have  
 23 participated in the process to package these actions  
 24 together into reasonable alternatives and then the task in  
 25 Phase 2 is to begin the analytical process of seeing what

1 out to the BDAC very soon kind of a list of all of the  
 2 impact issues and a list of the -- what's called existing  
 3 conditions, which is all of the factors that exist out  
 4 there in the system and a list of all of the issues that we  
 5 are going to analyze, and that's pretty straightforward and  
 6 it's a very long list but we could easily distribute that.  
 7 CHAIRMAN MADIGAN: All right. I like  
 8 that.  
 9 Sunne.  
 10 MS. MCPEAK: Mike, as I went through  
 11 Alex's letter and in trying to also listen to the  
 12 discussion that you are probing about how do we ensure that  
 13 these issues or other issues that are raised by the public  
 14 or stakeholders or any of the organizations around the  
 15 table are going to get dealt with, it did occur to me that  
 16 you have come up with a very good response that is  
 17 workable, which is let's look at the impacts that are going  
 18 to be analyzed, the issues that will be addressed in the  
 19 EIS/EIR.  
 20 There are also a couple that in Alex's letter  
 21 do perhaps deserve some discussion in the work groups so I  
 22 looked at also the possibility of explicitly identifying  
 23 where there is some relationship in asking the work groups  
 24 to deal with the issue. That's another one.  
 25 There is yet the -- a third, which is where I

1 the impacts would be of taking these actions.  
 2 So many of these consequence issues and impacts  
 3 issues that Alex raises he's absolutely correct about them  
 4 and how important they are, but that's what we plan on  
 5 doing in Phase 2, and, in fact, is the purpose of Phase 2,  
 6 to begin analyzing these and looking at all of the possible  
 7 impacts, not just a water quality impact, but if you are  
 8 buying land, what's the third party impacts?  
 9 What's the resultant impact on water quality so  
 10 we can make then a informed judgment about which  
 11 configuration works the best.  
 12 MR. HILDEBRAND: The problem, though, that  
 13 we've had in other arenas, other programmatic EIS's is if  
 14 you don't spell out in advance what potential impacts have  
 15 to be examined, they often don't get examined in the  
 16 programmatic EIS and then if it isn't mentioned there, they  
 17 don't get put in even the final EIS because they write a  
 18 Fonzie instead and go right ahead with it and it never gets  
 19 examined.  
 20 CHAIRMAN MADIGAN: How are we going to  
 21 ensure that those are arrayed early enough and clearly  
 22 enough, Lester, so that they are in fact considered during  
 23 the environmental review process?  
 24 EXECUTIVE DIRECTOR SNOW: Actually,  
 25 probably the best way to deal with that would be to send

1 think Alex first was pushing, and, that is, to put it on  
 2 our Agenda and get some of these things literally discussed  
 3 here.  
 4 Now, when I look at Alex's letter, the two that  
 5 strike me as possibly relating to a work group has to do  
 6 with purchasing water from the San Joaquin has to do with  
 7 habitat restoration.  
 8 Perhaps that can get discussed in that  
 9 committee.  
 10 The one about the durability of this --  
 11 CHAIRMAN MADIGAN: Mary.  
 12 MS. SELKIRK: I agree with this --  
 13 CHAIRMAN MADIGAN: Oh, okay. I wanted to  
 14 make sure that made sense.  
 15 MS. SELKIRK: I'm just nodding my head.  
 16 CHAIRMAN MADIGAN: Yeah, okay. All right.  
 17 MS. MCPEAK: The question about durability  
 18 of us -- I'm not so concerned about the durability of BDAC  
 19 as the institutional commitment to implementation and  
 20 that's, I think, in assurances and the question about the  
 21 follow through, Alex, that you are raising, durability of  
 22 this process, I think actually does properly get -- should  
 23 get addressed within Hap's committee on assurances.  
 24 That may involve a variety of arrangements.  
 25 The issue about salt balance doesn't quite fall

1 in any of these committees, and it would be, in my opinion,  
2 a stretch to try to just sort of refer it off and not deal  
3 with it here.

4 So I don't know exactly how -- although, you  
5 were raising the question, Mike, to Lester and that seems  
6 to be perhaps one way to do it.

7 The discussion you just had with Alex is going  
8 to the heart of our Agenda, though, and that's why it's  
9 been structured by you to get the reports out by the work  
10 groups because we've got to sort of figure out those issues  
11 that are being raised.

12 There are other letters we are receiving in,  
13 and Lester's responding very diligently to all of them, but  
14 there are policy issues that should be discussed around  
15 this table and to the extent that we can discuss them and  
16 also have an appropriate work group, deal with it and then  
17 report back.

18 This may be a way to do it, but we have to have  
19 a running laundry list for the EIR/EIS. Let's do that,  
20 too, but those are my suggestions.

21 CHAIRMAN MADIGAN: It makes sense to me.

22 Let me stay with Alex a minute.

23 Go ahead, Alex.

24 MR. HILDEBRAND: Sunne, I agree with much  
25 of what you have said but I think if you are going to refer

1 I think the question of durability is a  
2 perfectly legitimate subject for this group and we'd be  
3 happy to have it scheduled for the next meeting. I think  
4 it's a solid policy question, Alex.

5 Let me go to Mary because it impinges on  
6 your --

7 MS. SELKIRK: Yes, I just wanted to agree  
8 strongly with Alex on that because I think we are fast  
9 approaching in the restoration work group a convergence of  
10 issues, which I think is probably happening in other work  
11 groups as well, that as this work group considers what an  
12 adaptive management program would look like in the Delta,  
13 we have to be considering what kind of time frame we are  
14 talking about.

15 You know, are we talking about a 15-year  
16 effort, a 30-year effort, and how, you know --

17 CHAIRMAN MADIGAN: (Indicating)

18 MS. SELKIRK: Right.

19 The seven generation effort is what I'm  
20 personally interested in.

21 But what are we talking about?

22 And, certainly, when we address the whole  
23 question of financing and institutional assurances, we are  
24 going to be faced with the exact same issue, which is what  
25 kind of picture are we looking at here so --

1 these to the sub-groups they need a little guidance.

2 For example, on durability I don't think the  
3 sub-group is the place to decide what do we mean by  
4 durability.

5 They could look at the consequences of the  
6 decision that durability is 20 years, for example, but I  
7 don't think that the sub-group should decide whether it's  
8 ten years or 30 years or something else, and so it would  
9 seem to me this body first has to define a little better  
10 what does it mean when it delegates this to the sub-group  
11 and how do you deal with durability, and I think some of  
12 the other things to other sub-groups would be similar if  
13 you put this question of the consequence of the reduction  
14 of summer flow by water acquisition on the tributary, that  
15 isn't just a habitat question.

16 That's a question of meeting downstream water  
17 rights and water quality for purposes other than fish and  
18 so forth. So it's more complicated than just one sub-group  
19 to address that.

20 CHAIRMAN MADIGAN: I don't think there is  
21 any expectation that any individual sub-group is going to  
22 decide things either in a vacuum or finally.

23 I mean, I think that what Sunne was doing was  
24 looking for a home for some of these things and where there  
25 clearly wasn't a home, that we should bring it up here.

1 CHAIRMAN MADIGAN: We will put this on the  
2 Agenda for the next meeting, Alex. It's a good point.

3 MR. HILDEBRAND: (Affirmative nod)

4 CHAIRMAN MADIGAN: Roberta.

5 MS. BORGONOVO: I think for the water  
6 efficiency work group I think there are opinions for land  
7 retirement for both water quality and water restoration and  
8 it was my understanding that CalFed had thought that it  
9 would be addressing either a Workshop that just looks at  
10 that but I think that a lot of us from the environmental  
11 side don't want to lose sight of that as a tool and it  
12 certainly does require some discussion.

13 But just going back to Mary's point about the  
14 time frame I think that there is a concern in the different  
15 work groups that I am in that there will be time for the  
16 input from these work groups to get into the Phase 2  
17 process and there is a concern that we'll be moving so  
18 quickly in the Phase 2 that the products coming in won't be  
19 completely analyzed.

20 So I hope that that's addressed, also.

21 CHAIRMAN MADIGAN: Okay. Good point.

22 Alex, have we -- have we satisfactorily, at  
23 least launched some of the consideration of some of the  
24 issues that you have --

25 MR. HILDEBRAND: We have made progress

1 CHAIRMAN MADIGAN: We have made progress,  
 2 words to live by.  
 3 MR. HILDEBRAND: But I think we have to do  
 4 more in enunciating these policy questions and then  
 5 debating them.  
 6 CHAIRMAN MADIGAN: Okay.  
 7 MR. HILDEBRAND: And, as I say, I think  
 8 most of them either cut across more than one subcommittee  
 9 or I think the subcommittee can't really get its teeth into  
 10 it without some guidance and that would include the item  
 11 Roberta just mentioned.  
 12 Are we or aren't we going to get water for  
 13 other purposes or reliability of water for other purposes  
 14 by taking away from agriculture?  
 15 I think that's a fundamental policy question  
 16 and there is really nothing in this program as it now  
 17 stands for agriculture. It's all down side.  
 18 Take land out of production for this and that,  
 19 take water away for them for this and that, make their  
 20 water supply less reliable for various reasons.  
 21 I guess you could say that you are going to  
 22 increase your reliability in the sense that it's going to  
 23 be reliably less but that is not what we contemplated when  
 24 we started out on this.  
 25 CHAIRMAN MADIGAN: Sunne.

1 Here is what I would propose".  
 2 MR. HILDEBRAND: Well, I thought I made a  
 3 proposal that the BDAC should debate and come to a  
 4 conclusion as to what we mean by durability.  
 5 MS. MCPEAK: Yes, you did.  
 6 What I'm saying is we have to have your  
 7 proposal or someone else's or several definition of  
 8 durability to discuss and debate.  
 9 In the absence of that it goes to Lester to try  
 10 to propose.  
 11 CHAIRMAN MADIGAN: Sunne is right and this  
 12 would be a good time to do it because we are going to put  
 13 it on the Agenda for this next month.  
 14 MR. HILDEBRAND: Okay. I'll make such a  
 15 proposal.  
 16 CHAIRMAN MADIGAN: Hap, you heard your  
 17 name.  
 18 MR. DUNNING: Yeah. Maybe I am not  
 19 understanding the terms properly but I think in my mind  
 20 assurances and durability are two different things.  
 21 What the assurances work group is addressing is  
 22 raising the confidence level of the long-term solutions  
 23 proposed by BDAC. BDAC and CalFed actually will be  
 24 implemented.  
 25 Now, once implemented, there is another

1 MS. MCPEAK: At the risk of belaboring the  
 2 point on process and also acknowledging the personal  
 3 increasing frustration on how do we best get something we  
 4 can sink our teeth into because I fear that we will get to  
 5 a point where -- I think Mary used the term -- convergence  
 6 of a lot of issues and we don't know quite where to go.  
 7 Let me use what I think may be an easier  
 8 example in Alex's letter and suggest some responsibility  
 9 that we take and everyone take.  
 10 If you are raising an issue it should be  
 11 accompanied with the responsibility to propose a solution  
 12 or at least a starting point.  
 13 So I would envision if, in fact, half of the  
 14 assurances committee that you are going to discuss this  
 15 question of durability as it's raised by Alex, that, Alex,  
 16 you'd come in with a proposal. I mean, help us define it.  
 17 MR. HILDEBRAND: In other words, you want  
 18 me to say how long durability should be?  
 19 MS. MCPEAK: I'm saying that each of us  
 20 raising a question has to be responsible for proposing an  
 21 answer.  
 22 It may get rejected by everyone around the  
 23 table, but we are not going to get to the end point by  
 24 simply a, you know, crescendo of questions raised without  
 25 somebody putting themselves on the line and saying "Okay.

1 question, do they endure?  
 2 That's a different question to me. It's not  
 3 the one we are addressing in the work group.  
 4 MS. MCPEAK: Is that not the question you  
 5 are raising, Alex?  
 6 Durability is whether or not the implementation  
 7 endures. I'm a lot more simple.  
 8 MR. DUNNING: We want to make sure in the  
 9 work group that it gets implemented as anticipated during  
 10 some period of time, let's say 15 years, whatever.  
 11 That 15 years happens. Then it's all in place.  
 12 Do we have solutions in place which are durable for the  
 13 society on these matters?  
 14 MR. HILDEBRAND: I agree with Hap.  
 15 MR. DUNNING: That's another question.  
 16 MR. HILDEBRAND: I think you first have to  
 17 decide what do you mean by durability. Then you have to  
 18 assure that you can accomplish that.  
 19 MS. MCPEAK: I agree with both of you.  
 20 I think it just makes no sense to be talking  
 21 about implementation and assurances unless they are going  
 22 to be durable so if our problem is that we haven't properly  
 23 or broadly enough defined the responsibility of your  
 24 committee maybe we should go back and do that.  
 25 CHAIRMAN MADIGAN: I would ask you, Hap --

1 MR. DUNNING: Whether it's durable depends  
 2 on the nature of the long-term solutions recommended by  
 3 CalFed.  
 4 CHAIRMAN MADIGAN: Think about the  
 5 question and be prepared to make some suggestions as to how  
 6 it fits, whether it fits or if there is a better home for  
 7 it this next time around because we will put this thing on  
 8 the Agenda, and if it's not a fit, if it's forcing  
 9 something, it doesn't make sense to do it.  
 10 But, obviously, the question of durability is  
 11 significant in terms of assurances and maybe it works.  
 12 Let me call Lester first.  
 13 Lester, then Roger.  
 14 EXECUTIVE DIRECTOR SNOW: Well, I think  
 15 Hap is right about the durability approach.  
 16 What I think has kind of confused this  
 17 discussion would be the linkage between durability as a  
 18 solution principle and projections of future water demand.  
 19 Those are not the same issue.  
 20 The objective of this program is not to meet  
 21 the State's water demands no matter what they are in the  
 22 future.  
 23 The objective of this program is to fix the  
 24 Bay-Delta system, and literally what that means, and this  
 25 is an important issue, that if the urban and agricultural

1 obviously the more all of us can be prepared in advance to  
 2 talk about it, the better.  
 3 I certainly want to endorse the suggestion of  
 4 having people feel an obligation now that they raise a  
 5 concern to accompany it with at least a proposal.  
 6 CHAIRMAN MADIGAN: Yeah, you sure ought to  
 7 have copies of the letter.  
 8 If you don't, make sure we get them to you,  
 9 absolutely.  
 10 Bob.  
 11 MR. RAAB: I just want to offer an  
 12 observation.  
 13 Am I on?  
 14 CHAIRMAN MADIGAN: Yeah, you are on. You  
 15 just don't park as close to the mike as I do.  
 16 MR. RAAB: I just didn't know I was on.  
 17 The issue of durability or bulletproof  
 18 guarantees or assurances in the grass roots discussion is,  
 19 I would say, far and away the most important issue.  
 20 The grass roots groups that I have been working  
 21 with are optimistic about getting at least some kind of  
 22 restoration, but the big question is how long will they get  
 23 that restoration?  
 24 How long will it last?  
 25 How long will, let's say, water guarantees for

1 demand in the year 2050 is five times greater than we  
 2 thought it was, that does not mean the Bay-Delta system has  
 3 to produce five times more water because we are trying to  
 4 solve the Bay-Delta system problems, and this is very  
 5 fundamental, and if we are confused about that, then we are  
 6 confused about the fundamentals of this program.  
 7 MR. HILDEBRAND: I think, though, Lester,  
 8 that we may have to say that our solution will be durable  
 9 for whatever period of time we are talking about providing  
 10 sufficient water supply is developed outside of this  
 11 program to take care of the demands that will otherwise  
 12 take water away from the environmental for the benefits,  
 13 for example, that we are assuming will occur.  
 14 CHAIRMAN MADIGAN: I agree.  
 15 I have Roger and then Bob and Ray.  
 16 MR. THOMAS: First I agree with Hap on the  
 17 fact that I don't think the issue as I understand it that  
 18 the durability issue really fits under the current scope of  
 19 the assurances group but that in turn points out a more  
 20 fundamental process issue that I think we ought to raise,  
 21 which is unless I missed it this letter that we have been  
 22 talking about for a long time was not circulated and, you  
 23 know, if we -- oh, is it back there -- okay.  
 24 I apologize then because I thought I had pretty  
 25 well scanned what was in there and because, you know, we

1 flows last and will we get something only to have it taken  
 2 away?  
 3 However, this issue is framed in the assurances  
 4 committee and whether it's framed at all about durability  
 5 the way we think about it out there in grass roots land is  
 6 durability is very much a part of assurances and  
 7 guarantees.  
 8 CHAIRMAN MADIGAN: Thank you.  
 9 Ray.  
 10 MR. REMY: It's Lester's comments as well  
 11 as other comments that have stimulated my thoughts that  
 12 there is a lot of planning that goes on in this process.  
 13 There is legislation that contemplates that you  
 14 can't make growth decisions in the Central Valley or other  
 15 places if there is not adequate water supply.  
 16 That's the costable session and I wonder what  
 17 committee or in what area do we surface the assumptions of  
 18 what the population growth trends are and those  
 19 expectations that will drive demand for both urban use and  
 20 agricultural use because it's difficult to make these  
 21 choices about the trade-offs in the environmental systems  
 22 for the Delta if we are totally absent the knowledge of  
 23 what all other planning process in the State is doing in  
 24 assumptions.  
 25 I don't say we have to be driven by those

1 assumptions, but we ought to know what are the population  
 2 projections, what are the assumptions that are being done  
 3 by all of the multitude of other agencies so that when we  
 4 make choices on water which will drive the ability to  
 5 deliver on some of those assumptions, we know what they  
 6 are, and I don't know whether we've done anything really to  
 7 figure out on our water how does it relate to what we think  
 8 or what the State Department of Finance thinks or what the  
 9 population estimates within whatever range of durability we  
 10 decide this plan needs.

11 CHAIRMAN MADIGAN: Lester.

12 EXECUTIVE DIRECTOR SNOW: That seems such  
 13 a fundamental issue that I think at our next BDAC Meeting  
 14 we could provide you an overview of those range of  
 15 projections and even the range of water use patterns for  
 16 the State so you have some feel for what the big picture  
 17 is.

18 CHAIRMAN MADIGAN: Okay. Thank you, Alex.

19 I'm going to ask for your indulgence all for a  
 20 moment.

21 And I have already talked to Judith Redmond  
 22 about this so this is not a surprise.

23 I was troubled by an editorial that appeared in  
 24 the Bee a short while ago entitled "Is anyone paying  
 25 attention while our water gets divvied?"

1 editorial is really an accurate reflection of what's  
 2 happening or is it, in fact, a reflection of fears, which  
 3 fears we can deal with by trying to reach as many people as  
 4 often as possible even though those people may be  
 5 represented here and, in fact, that this process will  
 6 naturally result in more meetings in areas that might be  
 7 impacted, although at this point we don't know what those  
 8 areas might be in the future, and so I'm sort of curious  
 9 about really the reason for the editorial and whether or  
 10 not there is this view that this process is flawed somehow.

11 MS. REDMOND: Well, thank you for bringing  
 12 it up.

13 I'm sorry, if the editorial appeared to be  
 14 overly critical.

15 We appreciate the efforts of CalFed and of BDAC  
 16 in trying to have an open process here.

17 I think we recognize the difficulty in reaching  
 18 out to rural areas and groups that are going to be impacted  
 19 by some of these changes and really want to just raise the  
 20 voices of the people that we are talking to, our  
 21 constituencies who feel that they need some of these issues  
 22 raised, and the discussion that we just had about policy  
 23 issues that need to be made more explicit, I think, is  
 24 probably a really good step in the direction of addressing  
 25 some of those concerns.

1 I was concerned, Judith, about the tone of this  
 2 because it seems to me to imply that the CalFed process is  
 3 narrowly focused, that opportunities are not being provided  
 4 to a series of water interests, specifically, family farm  
 5 interests, and that, in fact, this process was dominated by  
 6 a handful of large urban, ag and environmental interests  
 7 who did not have the interests of smaller groups at heart.

8 It is certainly my hope that this effort, this  
 9 CalFed effort, this BDAC effort, is designed to be as  
 10 inclusive as possible.

11 It is my belief, and I have expressed this to  
 12 both Lester and Sunne, that if we are to achieve some sort  
 13 of consensus out of this process that it will sort of be  
 14 consensus by exhaustion because we will have all attended  
 15 far more meetings than we ever thought we were capable of  
 16 attending and we will have all participated in far more  
 17 discussions than we thought we could participate in.

18 It further was my expectation with having  
 19 appointed you as the Chair of the work group that seems to  
 20 be most critical in terms of the issues raised by the  
 21 editorial that we were directly trying to make sure that  
 22 you and the groups that you represented were heard and were  
 23 in a position to make sure that your voice was a part of  
 24 this whole enterprise.

25 And I guess I wanted to ask you if the

1 The comment that you made a little earlier  
 2 about the ecosystem restoration round-table was, I think,  
 3 something of an example of our concerns.

4 The restoration round-table as it is now  
 5 constituted has 18 members, ten of whom are from water  
 6 agencies, and we felt like some sort of on the ground  
 7 representation from people who represents sustainable  
 8 agriculture or who have experience with restoration efforts  
 9 would really add quite a bit to that round-table and to the  
 10 success of the effort.

11 So I think that's sort of a case in point. We  
 12 do see that this process is open, but we would just like to  
 13 open it up beyond sort of the interests that are  
 14 traditionally heard of water agencies and sort of water  
 15 professionals and I think the ecosystem round-table is sort  
 16 of a good example of how that could really benefit the  
 17 discussion.

18 CHAIRMAN MADIGAN: Jason, did you want to  
 19 say something?

20 Yeah, sure, go ahead. And then Tom.

21 JASON PELTIER: I wanted to make a comment  
 22 in the public opinion section but now is the time.

23 I found the opinion piece to be -- to have some  
 24 unfortunate words and characterizations in it, too. I  
 25 would share some of your concern.

1 Water Protection Association, and I just read the article  
 2 you are referring to this morning, and I have to tell you I  
 3 found that that article was right on.  
 4 CHAIRMAN MADIGAN: In what way?  
 5 LINDA COLE: That was exactly what we see  
 6 is happening, not that there was an inadequacy of the  
 7 initial concept for this process, but that, in fact, just  
 8 to participate in all of these meetings is a hardship for  
 9 people who are out there trying to make a living.  
 10 They read about it in the newspaper, but to  
 11 think that they are going to give up a day's worth of work  
 12 to drive to Sacramento to sit and listen to meetings that  
 13 they probably won't be able to follow because they haven't  
 14 gotten the packets. They don't have the time to read all  
 15 of the details, so they come into a meeting where they see  
 16 an Agenda and they don't have the background information.  
 17 I mean, even someone who gets the packet hasn't  
 18 had a chance to read all of it (indicating). He wasn't  
 19 able to remember the series of letters in the back.  
 20 So there is an inherent problem with something  
 21 that's this big in terms of getting public participation.  
 22 Folks who are involved in sustainable  
 23 agriculture are folks who perceive that they are farming  
 24 with the resources that are sustainable in their area that  
 25 aren't dealing with water entitlements, with water from

1 grandfathering the whole process in is a real concern for  
 2 us.  
 3 CHAIRMAN MADIGAN: What change would you  
 4 make to this process in order to ensure that those voices  
 5 are heard which you believe are not now being heard?  
 6 LINDA COLE: I think that the article  
 7 refers to a need for outreach and I think that that's  
 8 absolutely true, but in order to do that --  
 9 CHAIRMAN MADIGAN: Is it your perception  
 10 that that outreach is not occurring?  
 11 LINDA COLE: That's right, not  
 12 effectively, because you have to make the meetings  
 13 available in the communities where these things are going  
 14 to be impacting so that people can come at the end of a  
 15 workday and sit in and so if those are Town Hall meetings,  
 16 I don't care what it is, but you need somebody out in those  
 17 communities and then, hopefully, that person can come back  
 18 and represent the constituency of that area that  
 19 talks -- you know, you are talking about money for staff  
 20 for somebody to do that.  
 21 And, right, I mean, in the best of all worlds  
 22 all of these people would know that their livelihoods,  
 23 their way of life and their environment is going to be at  
 24 risk and they would join together and raise money and hire  
 25 someone that they had confidence in who would be able to

1 dams, are just sitting ducks for this process because they  
 2 think that they are okay.  
 3 They don't realize the fact that they are not  
 4 at the table means that their water resource is the one  
 5 that's going to make up all the shortfalls.  
 6 Their water resource is the one that's going to  
 7 provide that water use efficiency, those water transfers,  
 8 and so they are not organizing to be able to raise enough  
 9 money to be able to hire somebody whose full-time job is to  
 10 read all this literature and get themselves down to these  
 11 meetings so that they can sit at the table and share their  
 12 concerns with you.  
 13 Now, I know that all of you folks think or hope  
 14 that you will be able to anticipate what the concerns and  
 15 problems of these people will be, but I can tell you it  
 16 hasn't shown up so far.  
 17 A perfect example is the State drought water  
 18 bank, which was perpetrated with a program EIR that  
 19 supplies 65 percent of all of the water bank water for the  
 20 State of California from about a 15 mile area in Butte  
 21 County, and the full extent of the environmental study was  
 22 five pages in that document that had partial comments on  
 23 Butte County.  
 24 So what Alex was saying about running these  
 25 things through with a program EIR and then just

1 advocate as well as Alex (indicating) for their area.  
 2 Right now it is a few voices in the wind, and I  
 3 go to some of these meetings. I went to the assurances  
 4 meeting.  
 5 The comment was, well, we probably all know  
 6 what needs to be done here, but we have a new voice in the  
 7 room now or we have a few new voices so maybe there will be  
 8 a new perspective and I think that that's critical.  
 9 I think you have to be looking for those new  
 10 voices and I think you have to be looking in areas that you  
 11 haven't traditionally looked at, and I think that those  
 12 voices need to be equally represented on each of your work  
 13 group subcommittees.  
 14 Thank you.  
 15 CHAIRMAN MADIGAN: Hap.  
 16 MR. DUNNING: Mike, you raised that and I  
 17 want to comment on another aspect of it.  
 18 Adrian started out by saying the Peripheral  
 19 Canal is back and I understand from her she received a  
 20 great deal of flack from CalFed staff for saying that and  
 21 it puzzles me because as I think about the alternatives, I  
 22 am aware with alternative three an isolated facility is  
 23 included and different sizings are contemplated, and the  
 24 max is 15,000 CFS which is pretty close to the 22,000 CFS  
 25 in the 1982 proposal.

1 To say that I'm well-healed having grown up in  
2 weed patch, I don't know, you know. I don't see how you  
3 can -- it doesn't connect.

4 But I think the underlying message is really  
5 important.

6 There's three underlying messages here that I  
7 think are very important and I'd like to associate myself  
8 with.

9 First, it's -- the first one is that -- and  
10 nobody should be offended by this call for examining the  
11 collateral impacts of decisions, and that's important, and  
12 that's a good thing. That's hopefully what the planning  
13 process is all about.

14 Part of it for me probably is somewhat of a  
15 persecution complex of going through CVPIA and ESA issues  
16 for the last three and a half, four years I don't have a  
17 lot of confidence in these processes to really examine the  
18 collateral impacts and the human socioeconomic impacts.

19 I think the second key point is, and I think  
20 Adrian was a bit premature in saying yet we have still  
21 failed to agree on how to balance population growth, that  
22 kind of thing -- that is right, we have not, but I think  
23 the point there that we need take away from is we can't  
24 fail to do that in this process. That has to happen.

25 And her third point that I really concur with

1 just -- I don't see the stepping up on the water supply  
2 issues and the public -- people seem timid to talk about  
3 the water supply aspect of fixing the Delta and I decry  
4 that.

5 Thank you.

6 CHAIRMAN MADIGAN: Thank you.

7 Tom.

8 MR. MADIGAN: I have a couple of points.

9 One I thought the article was brilliantly written. Tell  
10 Adrian that.

11 Secondly I think we are being too sensitive if  
12 we as a group and the Chairman as the head of the group  
13 can't take a little tweaking and a little criticism, I  
14 think as we go down the line we get into ever more  
15 sensitive, difficult issues.

16 Some of us sitting at this table and others in  
17 organizations that we either represent or are associated  
18 with are going to take potshots at what we do. I don't  
19 think that we should be, you know, sort of make a big deal  
20 of it if that -- when and if that happens and then,  
21 thirdly, the only thing that I sort was sort of way off was  
22 this characterization of the politically powerful groups  
23 that are, you know, doing all of this, which included the  
24 environmentalists and leaves off the --

25 CHAIRMAN MADIGAN: Don't be so sensitive.

1 and it was a point that I made to the CalFed group when I  
2 spoke when they had their public meeting has to do with  
3 this notion of educating the public about what is going on,  
4 what are the consequences, what is the nature and intent of  
5 your objectives.

6 The fourth point I'd like to make and I think  
7 it's really -- it goes somewhat to some of the things that  
8 Alex was talking about, I appreciate that the NEPA  
9 process -- the NEPA/CEQA will illuminate the consequences  
10 of actions, but I have a hard time reconciling that with  
11 the -- kind of the apparent, the environmental priority  
12 that is placed on all -- on a lot of the things that the  
13 CalFed process is about.

14 I mean, I know the Delta is broken from  
15 fisheries' perspective and we are all there, we're gung ho,  
16 ready to work and understand in trying to be supportive in  
17 fixing those problems, but, on the other hand, we have a  
18 circumstance on the west side of the San Joaquin Valley in  
19 the CVP surface areas, a million acres that if it's a  
20 normal rainfall year this year they are looking at a 45 to  
21 55 percent supply.

22 That tells me that the Delta is broken from a  
23 water supply perspective in a big, big way and I know the  
24 solution principles are balanced and I know we are all  
25 going to get together -- better together but I

1 MR. MADIGAN: No. Leaves off the Alliance  
2 For Family Farmers as being, you know, just completely  
3 inadequate and unable to influence public policy.

4 CHAIRMAN MADIGAN: well, I don't mind  
5 discussion about the policy issues around here.

6 That's -- we are all -- you are right. There  
7 are going to be lots of potshots.

8 Alex is going to have a different view of some  
9 things than you are, and that's okay. That's a part of  
10 what this whole thing is all about.

11 What I am concerned about is leaving the  
12 impression that the process for getting to those solutions  
13 is flawed, and if it is flawed, I want to fix it.

14 If it's not flawed, and this is really just a  
15 call to arms to make sure that people participate and want  
16 to participate, that's fine.

17 I don't have any problems with calls to arms  
18 and stuff like that, but I want to make sure that if there  
19 is a problem with the process, that we deal with it, but  
20 that's what we talk about, that we talk about not just  
21 using the CalFed process as a bogey for accomplishing other  
22 objectives without it at least being observed around here.  
23 that's my point.

24 Yes, ma'am (indicating).

25 LINDA COLE: I'm Linda Cole with Valley

1 So it seems to me clearly there is some version  
2 of the Peripheral Canal on the CalFed table being  
3 considered along with a lot of other things.

4 The political context in 1996 is very different  
5 from 1982, but I wonder what staff's thinking is in saying  
6 that people like Adrian -- apparently saying, if that's  
7 correct -- she shouldn't be saying things like that.

8 CHAIRMAN MADIGAN: Lester.

9 EXECUTIVE DIRECTOR SNOW: I guess it  
10 occurs to me that we are spending an awful lot of time on  
11 the words in an editorial.

12 I mean, Hap, I guess I can respond, that just  
13 generally the whole approach we are taking with the  
14 alternatives, I don't know how that relates to Adrian and  
15 so I guess I don't really want to respond to a third party  
16 conversation with you about Adrian.

17 If you want to kind of respond to where an  
18 isolated facility fits into the mix and how we view it, I'd  
19 be glad to do that.

20 MR. DUNNING: Well, was some comment made  
21 to her that it's inappropriate to be talking in terms like  
22 Peripheral Canal?

23 EXECUTIVE DIRECTOR SNOW: The concern that  
24 I expressed about the editorial was a very simple one, and  
25 that was that if the letter had been penned by Linda Cole

1 next step and I know CalFed is doing that, and so I think  
2 I'd like to see that as your response.

3 We have done our best. We've tried to make it  
4 as broad as possible.

5 We are open to these other work groups, but it  
6 is also true that the work groups are very important, and  
7 the work that's being done there obviously has concern.  
8 Maybe that's something else we need to think about.

9 We talked about that in terms of the BDAC  
10 meetings. Maybe it's possible to move some of those work  
11 groups around just so we've done our best.

12 It's probably not possible to do as much  
13 outreach as is necessary, but I just think that we have to  
14 say we did our best and we'll do better.

15 CHAIRMAN MADIGAN: Okay.

16 Maybe we have beat this one around enough.

17 I want, however, all of you to know that people  
18 read the stuff you write and if you are going to make a  
19 point about all of this, that's perfectly fine and valid  
20 and fair.

21 I want, however, it to be clear what the point  
22 is. I mean, if you have a specific suggestion for how to  
23 improve the product or the process, fine, I mean, that's  
24 why we are all here.

25 If you want to issue a call to arms for those

1 (indicating) or somebody from the Delta Marina Owner's  
2 Association, somebody who has not been a part of the  
3 process, it wouldn't have had any effect on us in the sense  
4 of "That's a good point. We need to talk to those people  
5 and get them engaged".

6 When it came from an organization that's at the  
7 table, that had kind of a different feel. That made us  
8 look very quickly to what can we do when this person has  
9 more access than most others in the process and so that's  
10 the only reason that there is that kind of response to it,  
11 pretty much the kind of the simple approach that we took.

12 CHAIRMAN MADIGAN: Roberta.

13 MS. BORGONOVO: I think it's really  
14 important in a situation like this where the alternatives  
15 come out, there is just going to be a lot of talk, and all  
16 of us that are sitting at the table realize that we are  
17 supposed to be reaching out. It's just not possible to do  
18 that.

19 So I just think it's just really important for  
20 all of us not to be thin skinned. It will happen to all of  
21 us that are here, and I know that isn't what the intent is  
22 but you just have to listen to the concerns.

23 I don't think it necessarily means that the  
24 process is flawed.

25 I think what it means is that there is this

1 who you represent, also, fine.

2 But I want to be careful about using a process  
3 that is at least intended to be as inclusive as possible as  
4 a bogey if, in fact, there are simply ways of improving  
5 that process so that it achieves the objectives which you  
6 desire. That's all.

7 Mr. Petry and then we'll move on.

8 MR. PETRY: Ed Petry from the City of  
9 Mendota.

10 I had an opportunity -- I don't see Roger  
11 Patterson here -- but I had an opportunity to speak to  
12 Roger Patterson at the Mendota Dam when he was in Mendota  
13 here recently.

14 He was very receptive to what I had to say, and  
15 I appreciate his coming to Mendota and listening to our  
16 concerns.

17 But he's only one part of the process, and I'd  
18 appreciate more activities in our area.

19 Today we are discussing the San Joaquin River.  
20 We are discussing salinity. There needs to be discussions  
21 about selenium and there are other contaminants by way of  
22 watershed.

23 The City of Mendota wouldn't realize until we  
24 had a six year drought that we lost our supply of water  
25 that was coming from the San Joaquin River. We had a

1 subterranean stream flow.  
 2 We use three acre foot of water, a million  
 3 gallons a day, and gained ten foot in our elevation when  
 4 the 1995 flood flows ran, a million two hundred and  
 5 twenty-six thousand acres of water that went through the  
 6 Mendota Pool.  
 7 Comes the end of July they shut it off. Our  
 8 aquifer depleted not only in water quality but also in  
 9 quantity.  
 10 Why is it that the BDAC members can't take in  
 11 the concerns of the upper San Joaquin River?  
 12 There is a way to take care of the San Luis  
 13 drain.  
 14 There is a way to revive the underground  
 15 plumbing. We don't need to complete the San Luis drain  
 16 canal.  
 17 Seven tenths of a mile from the Mendota Dam is  
 18 where the siphon for the San Luis drain is on Bass Avenue  
 19 at the intersection of Bass Avenue and the Fireball Canal  
 20 lift system.  
 21 That's only seven tenths is of a mile of canal  
 22 that needs to be completed.  
 23 If we had additional storage in Millerton Lake,  
 24 behind Millerton Lake where it was proposed originally but  
 25 they didn't do it because of a five million dollar deal,

1 were taken away from us. They talk about bringing us  
 2 surface water.  
 3 How can we have surface water when we don't  
 4 have the filtration system to accommodate that?  
 5 Who is going to pay for that, we, the people in  
 6 Mendota, with an 8,000 population?  
 7 We are looking at seven to \$10,000 for a system  
 8 filtration stem along with the ongoing process of filtering  
 9 these waters. That's an expensive situation.  
 10 How much money was spent on the underground  
 11 plumbing on the San Luis drain?  
 12 How much money would it take to complete the  
 13 San Luis drain canal?  
 14 How much money is it going to take to clean up  
 15 the waters on the west side that people keep putting water  
 16 on, the aquifers, the subsurface water?  
 17 Nobody has taken into the economical effects of  
 18 what's happening. The economics, if you really look at  
 19 them and evaluate them supersede the cost factors, and it  
 20 is a justifiable solution.  
 21 You are going to have to help us. Somebody is  
 22 going to have to take in the concerns of the upper  
 23 confluence. At the same time we are trying to help the  
 24 lower confluence. We are trying to help the Estuary.  
 25 It would help the Estuary, less water from the

1 are we going to stay back to where we were 40 years ago or  
 2 are we going to go forward?  
 3 We can blend those waters between the new  
 4 Mendota Dam that they are proposing and the old  
 5 Mendota Dam.  
 6 There is capacity there for 25 to 26 acre foot  
 7 of blending pond basin to where we can dilute the San Luis  
 8 drains and make the water with higher water Quality Control  
 9 to give enough water to the San Joaquin River to bring the  
 10 salmon back naturally not artificially like they are doing  
 11 now. That doesn't seem to be working out.  
 12 We can do it in a natural way. We can bring  
 13 back the habitat between gravelly ford and the Mendota Pool,  
 14 bring back the habitat, the low, the postal irrigation  
 15 district that hasn't functioned in years.  
 16 There are no surplus waters in the Mendota Pool  
 17 or that run through the Mendota Pool.  
 18 Every bit of it is used before it gets to the  
 19 Estuary. It never gets past the Tracy pumping plants.  
 20 Why not bring a higher quality water back to  
 21 the area to dilute the contaminants and make it acceptable  
 22 to fish, give more water for the Estuary for salt intrusion  
 23 from the ocean, bring back all the habitat, bring back the  
 24 fish.  
 25 We have historical rights to those waters that

1 Delta Mendota Canal that isn't as high a quality, like Alex  
 2 says.  
 3 Bring back our high quality water that used to  
 4 be sweet. We never had the chlorinate in the filter, right  
 5 out of the ground, into our pressure systems.  
 6 They keep wanting to develop a river bottom on  
 7 the San Joaquin River. Wanting to? They are doing it.  
 8 Nobody seems to have any control.  
 9 Madera County, Fresno County and Merced County  
 10 wanted to dump their tail water effluent into the San  
 11 Joaquin River.  
 12 Thanks to the Water Commissioner they stopped  
 13 that. I appreciate that.  
 14 CHAIRMAN MADIGAN: Thank you, Mr. Petry.  
 15 MR. PETRY: There needs to be water  
 16 quality control. Then we can resolve a lot of problems.  
 17 CHAIRMAN MADIGAN: Okay.  
 18 Thank you.  
 19 Lester, you have an introduction?  
 20 EXECUTIVE DIRECTOR SNOW: Yeah.  
 21 I believe Alan Short, General Manager of  
 22 Modesto Irrigation District is here, and Alan wanted to  
 23 take just four or five minutes to announce settlement of  
 24 litigation that has entwined quite a few stakeholders and  
 25 CalFed Agency groups for some time and I think this is a

1 very positive development for all of us.  
 2 Alan.  
 3 ALAN SHORT: Thank you, Lester.  
 4 And I certainly appreciate the committee's  
 5 indulgence in allowing us to come before you.  
 6 Lester, I want you to know I have absolutely no  
 7 overheads. I don't have my lap top. I'm completely  
 8 without tools so I am at your mercy.  
 9 EXECUTIVE DIRECTOR SNOW: Okay. Let's  
 10 move on then.  
 11 ALAN SHORT: For those who don't know who  
 12 we are, we are the San Joaquin tributaries Agencies.  
 13 We consist of five districts on the east side  
 14 that operate projects off the Stanislaus, the Tuolumne, the  
 15 Merced Rivers.  
 16 Specifically, we are the Oakdale Irrigation  
 17 District, the Turlock Irrigation District, South San  
 18 Joaquin Irrigation District, Modesto, Turlock and Merced.  
 19 We filed a lawsuit against the State Water  
 20 Resources Control Board very soon after they adopted their  
 21 water quality plan in May.  
 22 What I'm here to tell you today is that next  
 23 week, early next week, we will be submitting the probable  
 24 paperwork to dismiss that lawsuit and it will now go away  
 25 and we are productively engaged in discussions with policy

1 ALAN SHORT: Thank you.  
 2 CHAIRMAN MADIGAN: Yeah. Congratulations,  
 3 that's good.  
 4 Tom.  
 5 MR. MADIGAN: Alan, I presume that means  
 6 that San Francisco, which joined the lawsuit on your side,  
 7 will also be involved in the dismissal?  
 8 ALAN SHORT: That's correct. That's  
 9 correct. Okay?  
 10 Thank you very much.  
 11 CHAIRMAN MADIGAN: Lester, "Phase II  
 12 Process and Milestones".  
 13 EXECUTIVE DIRECTOR SNOW: I will try to  
 14 condense this so that we have time to get to some of the  
 15 more important issues.  
 16 Obviously, what we want to try to do today, the  
 17 main theme, is to try to get everyone caught up on  
 18 component refinement and specifically and, most  
 19 importantly, so that BDAC gets a feel for what's going on  
 20 in the BDAC work groups and also our other technical work  
 21 groups.  
 22 What's happened with previous Agendas is while  
 23 we have it on the Agenda is it's always been at the end and  
 24 so we always end up squeezing it so that the work group,  
 25 the Chairs and staff don't get much time to talk about it

1 folks and stakeholder folks at the Federal and State  
 2 Agencies, the environmental community, the San Joaquin  
 3 tributaries group in discussion of a proposal that the  
 4 San Joaquin tributaries group surfaced several months ago,  
 5 and that proposal contains both flow, non-flow and money  
 6 for environmental monitoring and restoration work.  
 7 After when I've heard this morning and prior to  
 8 going into lunch I think this is probably pretty good news.  
 9 And, Lester, you should smile is that we are,  
 10 in fact, now terminating our lawsuit.  
 11 We can now, hopefully, engage in some of the  
 12 processes.  
 13 Because of the litigation the doors were a  
 14 little bit closed. Because of that concern those will now  
 15 hopefully go away and we hope that by the end of our  
 16 process and your process that there could be a marriage of  
 17 an ultimate solution specifically on the San Joaquin.  
 18 That is a win-win for the agencies, for the  
 19 District, certainly, and for all of those folks who have  
 20 been involved in that process.  
 21 So I appreciate the opportunity to come before  
 22 you. The lap top is now gone. I am now done, and if there  
 23 is any questions, I'd be more happy to answer any  
 24 questions.  
 25 CHAIRMAN MADIGAN: Congratulations.

1 and that's now becoming the focus of our activity, is  
 2 component refinement, so we need to spend some time on  
 3 that.  
 4 Also, what's tending to happen in the program,  
 5 I think we just saw some manifestation of it with our own  
 6 discussion here, is that with the completion of Phase I,  
 7 the reality that there is something called Prop 204 on the  
 8 ballot, that within the last week there has been a flurry  
 9 of activity for Federal funding, that this whole thing has  
 10 taken on a new sense of realism.  
 11 People are looking at the process and saying  
 12 this may not, in fact, be just another planning exercise,  
 13 something may come out of it, and so what we are seeing,  
 14 not unlike the discussion we just had, people really  
 15 wanting to pay attention, really wanting to start getting  
 16 to the detail because they think that we have a chance of  
 17 succeeding.  
 18 What that means is, I think, the greater  
 19 likelihood of success if we've got people paying attention  
 20 to us.  
 21 It also means the honeymoon is long over.  
 22 People want to see quality work. They want to start seeing  
 23 detail and we need to start producing, and what we are  
 24 doing in Phase II, and I'll get into that, a lot of this  
 25 production and a lot of this work that we are trying to do

1 in a fishbowl is taking place in these work groups.  
 2 That's where a lot of the discussion takes  
 3 place, a lot of the exchanges.  
 4 We as Staff tried to turn that around in terms  
 5 of the technical work that needs to be done to support it,  
 6 but we are starting down that path and a lot more people  
 7 are paying attention to what we are doing.  
 8 What I want to do is generally describe the  
 9 Phase II process so we see how everything is unfolding over  
 10 the next year and then ultimately two years and point out  
 11 opportunities for public review, public input, and, more  
 12 importantly, where BDAC plugs into all of this.  
 13 And I guess I would simply say collaboration is  
 14 an ever increasing requirement of the process.  
 15 I think we have done a reasonably good job in  
 16 Phase I of trying to get a lot more nontraditional folks  
 17 involved.  
 18 There is no question that as we move forward  
 19 there is a lot more people not in this room today that need  
 20 to be part of this process. That's the only way we are  
 21 going to succeed. That is not going to be easy. There  
 22 will be nothing easy about it, but I think we all  
 23 understand if this was easy, we wouldn't be here. The  
 24 problem would have been solved a long time ago.  
 25 So I'll move fairly quickly -- perhaps very

1 Another way to look at this, we have component  
 2 refinement on the top.  
 3 It has kind of two discreet targets.  
 4 One is fairly quick in terms of trying to  
 5 refine the components from where we end at Phase I to a  
 6 point where we can move them down into the EIR/EIS process  
 7 and begin impact analysis but recognizing that we are going  
 8 to continue refining them all the way through the process.  
 9 So a lot of what happens is we do an initial  
 10 component refinement, move that into the process and begin  
 11 our impact assessment.  
 12 Also, with this component -- initial component  
 13 refinement we start dealing more interactively with the  
 14 public, to get more public and have broader public input  
 15 into the process.  
 16 As we move through the EIR/EIS process we  
 17 produce drafts, which we feed back up into the public  
 18 process, a lot more Public Workshops, all of this coming  
 19 together, hopefully, in a certified document in the fall of  
 20 '98.  
 21 But, obviously, a very critical period -- two  
 22 immediately critical periods.  
 23 One is the initial component refinement and the  
 24 second is production of a Draft EIR/EIS.  
 25 Just to kind of remind you of how we

1 quickly -- yes --  
 2 CHAIRMAN MADIGAN: Boy, we almost found  
 3 out what would happen to Lester Snow without an overhead.  
 4 EXECUTIVE DIRECTOR SNOW: A couple  
 5 graphics that should be somewhat familiar (indicating).  
 6 This is kind of how we closed out Phase I. We  
 7 talked about kind of three basic efforts as we move  
 8 forward.  
 9 The top line being the formal EIR/EIS process,  
 10 which is where, in fact, we hope to deal with a lot of the  
 11 impact issues that Alex has raised, but even critical to  
 12 getting to that is what we have called component  
 13 refinement, where we take the six components that comprise  
 14 our alternatives, continue refining and developing those so  
 15 that they can go into impact assessment, and continue on  
 16 adding detail as we head to implementation.  
 17 Then two additional components of what we have  
 18 defined previously as the implementation strategy.  
 19 That's the assurance program as well as a  
 20 finance and funding program, and we have conceived of this  
 21 kind of on these tracks.  
 22 What's happened subsequently these two really  
 23 have come together and we start talking about not just the  
 24 six components but eight components, including these two  
 25 implementation components.

1 conceptualized the process of refining these different  
 2 components, we had Agency staff, CalFed and Agency staff,  
 3 developing the component, preparing drafts, working with  
 4 the work groups to get them to a level that we can have a  
 5 Workshop on the material being developed, bring that  
 6 information to BDAC.  
 7 The BDAC work group has special expertise  
 8 that's been developed to help identify the critical issues  
 9 for BDAC, have a BDAC discussion about it and advice to  
 10 CalFed turns into the final component and implementation  
 11 strategy.  
 12 One other way to look at the component  
 13 refinement, we have what I refer to as the six components.  
 14 You'll notice there is five boxes because what  
 15 we tend to do is you can't really separate storage and  
 16 conveyance.  
 17 You almost have to consider them as a bundle  
 18 and so you end up needing to refine these components to a  
 19 certain level to begin impact analysis.  
 20 And so we, you know, target later this year to  
 21 refine those, feed them into the impact analysis process.  
 22 Whereas, the other two components can go on a  
 23 little longer because those are components about the  
 24 assurance, about how we finance this, and those kind of  
 25 feed in as we are doing the impact analysis so that when we

1 get to the draft, we have refined components that comprise  
2 the alternatives and then we also have refined  
3 implementation components.

4 So that when we have the draft out, the public  
5 has a better feel for the details that are embodied in the  
6 components as well as an understanding of how  
7 implementation will take place.

8 Specifically with BDAC, and I think this is  
9 just another way of portraying the information on the other  
10 slides, we have these work groups as well as some technical  
11 groups that we'll discuss later working with staff, a lot  
12 of staff work going on, to refine these components.

13 BDAC work groups are helping to identify the  
14 different policy options, eventually policy recommendations  
15 that can come to BDAC for full discussion.

16 A good example of this will be the transfer  
17 issue and how we deal with third party impacts associated  
18 with transfers.

19 That helps us refine the component but it also  
20 helps us identify the critical issues for BDAC discussion.

21 We get that type of discussion going on all  
22 through the process where we are evaluating the  
23 alternatives and then ideally right before we go to draft  
24 we have BDAC basically stating an opinion about those  
25 policy issues to try to help CalFed make judgments about

1 opportunity to lay out our thinking and get broader public  
2 input back into the process.

3 And, certainly, some time before we go to a  
4 draft to try to go out and have a broad Public Workshop  
5 that we've called here kind of an in progress review of the  
6 alternatives to make sure we are explaining to the public  
7 in a Public Workshop format our current thinking and an  
8 indication of the kinds of impacts we are seeing and  
9 certainly so they can see some of the detail we are  
10 developing in the program.

11 So that's basically an overall approach we are  
12 taking in Phase II, where we see the public fitting in, how  
13 we try to work Workshops into this, where the work groups  
14 fit in, and I think the one thing that we all understand is  
15 how much work needs to be done, how short a time frame it  
16 is in many respects, and how important it is that we do  
17 this as much in public as possible, as much in a glass bowl  
18 as possible so people understand what we are doing, why we  
19 are doing it, what kinds of assumptions we are making and  
20 I'd be glad to answer any questions you might have.

21 CHAIRMAN MADIGAN: Questions?

22 Ray.

23 RAY REMY: We've heard an awful lot this  
24 morning about accessibility and trust and involvement, and  
25 I think it's very important that you identify the working

1 the packages that we've put together.

2 And, again, after the draft is on the street  
3 and after you have a sense on how the public is responding  
4 to it once again provide specific advice on those policy  
5 issues on what the public thinks of them and how we may be  
6 able to respond to it.

7 Finally, just to kind of lay out some of the  
8 issues and how we want to try to get these things out in  
9 front of the public, some of these don't have specific  
10 dates, kind of target periods.

11 Ecosystem restoration is not only a complex  
12 program but one that people are very interested in and so  
13 we are targeting at least two Public Workshops, one  
14 probably the last day of October and one in February that  
15 we have not really targeted.

16 Definitely a water use efficiency Workshop some  
17 time November, December, prior to the end of the year.

18 Same with water quality and the same with  
19 levees (indicating).

20 Funding and financing, we think that probably  
21 is best after we've done more of a refinement and so we  
22 envision some sort of Public Workshop after the first of  
23 the year.

24 Assurances, again, some time after the first of  
25 the year, kind of January, February time frame, an

1 groups, the workshops and such, that you quickly identify  
2 the time and the location of those Workshops.

3 I'm sensitive to all of the concerns from  
4 family farmers. I'm equally concerned about 16 million  
5 people in Southern California and if all of the Workshops  
6 are in Sacramento, we need to at least advise folks to make  
7 a reservation so they can fly up.

8 If they are not, we need to advise them that  
9 there is an opportunity for participation. So the sooner  
10 you can identify that I think the better and the more of  
11 the obligation for those of us that are south of the  
12 Tehachapis trying to get folks to be concerned and  
13 involved.

14 So when will we be able to know the location  
15 and the perspective dates?

16 EXECUTIVE DIRECTOR SNOW: I'm not sure of  
17 the status of the Workshop planning.

18 Can anybody here answer that?

19 Well, we have one, right?

20 We have the Ecosystem Workshop that is  
21 scheduled -- I think Dick did this on purpose -- for  
22 Halloween, October 31st, and the location is here?

23 Is that correct? Okay.

24 I believe that's the only one that we have a  
25 specific date and location on. And the other thing that I

1 did not show. I showed specifically the Workshops.  
 2 There has to be other types of public meetings  
 3 out in the communities, and those we have found we get the  
 4 best response if they are locally sponsored rather than  
 5 CalFed deciding it's going to hold a local meeting in Red  
 6 Bluff.  
 7 It's much better if some organization up in  
 8 that area sponsors the meeting and brings us in to kind of  
 9 account for what we are up to, and so we need a whole  
 10 series of those really over the next six months.  
 11 CHAIRMAN MADIGAN: Sunne.  
 12 MS. MCPEAK: Mike and I are actually very  
 13 excited by what you just said, Lester, because we were  
 14 comparing notes after our last discussion about outreach  
 15 and thinking about how to partner with organizations,  
 16 community groups, in doing that outreach such that we need  
 17 to have -- in fact, Judith had agreed to that before the  
 18 meeting began -- identifying the people, members of the, in  
 19 this case, the Alliance For Family Farmers to participate  
 20 to attend but also to co-sponsor, to find the location and  
 21 the time that's going to work within budget, I guess, if  
 22 there is a cost, and then BDAC can help pick that up -- but  
 23 in addition to staff going there, there is a lot of us  
 24 sitting around this table. There should be almost panels  
 25 of BDAC members that also go to here.

1 having people from the BDAC at those meetings.  
 2 So I think that Sunne has made a good  
 3 suggestion, and that we ought to try to do it just that  
 4 way.  
 5 And we can accept Judith's offer of  
 6 co-sponsorship and move on from there, and Ray's, and  
 7 Sunne's.  
 8 EXECUTIVE DIRECTOR SNOW: Yeah, I think  
 9 maybe if I could point out just one little example, but I  
 10 think it's kind of a useful communication.  
 11 If we would have set out to try to communicate  
 12 with rural counties, it might have taken us a dozen  
 13 meetings spread over three or four months to do it, but  
 14 RCRC had their meeting last week in Yreka and so being  
 15 invited to go up there I was able to talk to probably 40  
 16 rural supervisors all at once and that kind of cooperative  
 17 outreach is essential. That's the type of focus discussion  
 18 that really helps us understand what the issues are.  
 19 CHAIRMAN MADIGAN: It's been awfully  
 20 helpful, I agree.  
 21 Okay. Thank you.  
 22 "Ecosystem Restoration Component".  
 23 Mary.  
 24 MS. SELKIRK: Please bear with me.  
 25 I feel I'm becoming an (inaudible) of the

1 So, you know, within reason -- if there is a  
 2 rush of folks and we have suddenly fifty partners in  
 3 outreach, we've got to re-evaluate this, but if there are a  
 4 few organizations, you know, ten, 15, 20, who say "Yes, in  
 5 the next year we want to be your partner".  
 6 So, Ray, you know, the Los Angeles Chamber not  
 7 only, you know, you call the tune, you decide the location,  
 8 you are rich enough you actually could pay for it, but I'm  
 9 sure that --  
 10 MR. REMY: Along with the Bay Area  
 11 Council.  
 12 MS. MCPEAK: Along with the Bay Area  
 13 Council, that's true, we would host.  
 14 We are on the hook to do that, but then we  
 15 would be really obligated to get the people there, to get  
 16 the fannies in the seat and to have some people from  
 17 superior California and sunny California that are members  
 18 of BDAC be there to hear from the Bay Area region as,  
 19 likewise, to hear from the Southern California region or  
 20 from the Alliance Of Family Farms.  
 21 I think that's what we are really trying to do,  
 22 is get to meaningful outreach, not just a flurry of  
 23 activity that doesn't get folks to participate.  
 24 CHAIRMAN MADIGAN: And by making it  
 25 worthwhile that people do put their fannies in the seats by

1 CalFed staff by having overheads (indicating).  
 2 However, the overheads were produced in  
 3 Sacramento and I live in the Bay Area so he had an  
 4 interesting collaboration effort going on so bear with me  
 5 if the content of my report today does not exactly follow  
 6 the overheads themselves.  
 7 What I'd like to take a few minutes this  
 8 morning to do, and we are going to try to shorten the  
 9 presentation some because we are trying to get everyone to  
 10 lunch by 12:30, is to provide for you a summary of the  
 11 activities of the restoration work group, which has had, I  
 12 believe, five meetings since its inception in late April of  
 13 this year.  
 14 There were numerous critical issues that were  
 15 identified in early discussions both here at BDAC meetings  
 16 through the first nine months of BDAC as well as in the  
 17 public scoping process that occurred early -- late last  
 18 winter and early spring.  
 19 What we've listed here are some of the very  
 20 central issues that were the initial mission of the work  
 21 group that was established in April.  
 22 The first two I think were really central.  
 23 One is for the CalFed staff to have as much  
 24 public input from stakeholders, other interested members of  
 25 the public, both technical and policy folks on the issue of

1 how do we define a healthy ecosystem in the Delta, and  
2 along with that, what are the central components that have  
3 to be part of an overall restoration strategy?

4 And under that, more specifically, how can the  
5 CalFed staff and what -- develop and what should be  
6 included in a process of defining goals for ecosystem  
7 restoration and the targets associated with those goals.

8 And, finally, what are some of the issues that  
9 the CalFed Program needs to take into account in looking at  
10 what kind of collaborative relationship has to exist among  
11 all of the agencies and existing programs that already have  
12 major projects and concerns in the Delta.

13 So our initially mission for the group was to  
14 address some of these key policy issues, some of which I  
15 have outlined already.

16 What are central parts of comprehensive  
17 strategy for ecosystem health, both structure and function?

18 What is the possibility of developing an  
19 effective adaptive management approach to that kind of  
20 restoration strategy, and what are the kinds of  
21 institutional assurances that are going to be necessary for  
22 that program to actually work over time?

23 These are the issues that have been at the  
24 heart of the restoration group discussions since late  
25 April.

1 the CalFed restoration strategy, and they are the  
2 following:

3 And, unfortunately, we don't have an overhead  
4 for that, for the following:

5 The first is that this strategy uses to the  
6 extent possible natural processes for restoration of  
7 function.

8 Secondly, that a central goal of the ecosystem  
9 restoration strategy has to be increasing the resilience of  
10 the system so that an insult to one part of the system is  
11 not going to bring it down.

12 A third is that an effective strategy has to  
13 provide multiple benefits.

14 Fourthly, the strategy has to include and an  
15 adaptive management approach does allow for and, in fact,  
16 is based on building in an evaluation of whether the  
17 results that you are getting are the ones that you want.

18 And, finally, any effective strategy in the  
19 ecosystem restoration program has to include compensation  
20 for what are being called unavoidable side effects.

21 The discussions in the first several meetings  
22 focused heavily on the possibility for developing a  
23 restoration program that would combination a limiting  
24 factors approach, that would look at restoration of  
25 specific species, certainly species of concern, ones that

1 And I think that the fundamental issue, of  
2 course, has been whether this very desperate group of  
3 experts on all sides of the issues representing fisheries,  
4 terrestrial wetlands, agriculture, commercial fishing, can  
5 come to some set of environmental values for the Delta that  
6 they can all agree on.

7 Now, this is probably the third overhead. This  
8 says basically the same thing (indicating).

9 Early on this group has worked over and worked  
10 on probably, oh, six iterations of an ecosystem restoration  
11 strategy.

12 That has included a lot of lively debate and  
13 important contributions from members of the -- from invited  
14 participants in the work group, including an approach to  
15 how the work group -- how the CalFed staff can really begin  
16 to grapple with this very central concern of how -- what  
17 kinds of goals are achievable for the health of the  
18 ecosystem in the Delta.

19 I have a couple of overheads here that outline  
20 some of the components of the restoration strategy, which  
21 those of you who have read the strategy probably are  
22 familiar with.

23 But I wanted to point out, too, that all of  
24 these bullets here have at their foundation an emphasis on  
25 five components that are really, I think, at the heart of

1 have already been identified through the ESA, along with a  
2 more broad brush restoration of function approach, and that  
3 has been the heart of a lot of the discussions in the  
4 meetings to date.

5 There also has been a number of comments  
6 focusing on the need for the restoration strategy to deal  
7 not just with fisheries issues but to address terrestrial  
8 wildlife and other wetlands concerns as well as restoration  
9 of aquatic species.

10 I want to talk a little bit about what  
11 currently the restoration work group has been focusing on.

12 The last two meetings have been devoted in  
13 large part to two topics.

14 One is goals and targets for the restoration  
15 program, and the second is what an effective adaptive  
16 management approach would look like in the Delta.

17 And the feedback from this group, which I want  
18 to remind you was fact-finding in nature. This is not a  
19 policymaking group.

20 It's really its function is to include as many  
21 stakeholders, as many experts, as many interested members  
22 of the public who can provide really vital information and  
23 vital perspectives to the CalFed staff.

24 There has been, as I said, discussion of a  
25 restoration program that's going to really emphasize

1 restoration of function.  
 2 Several members of the work group presented  
 3 papers offering different suggestions for how you defined a  
 4 reference condition as to whether or not you have achieved  
 5 your goal.

6 The CalFed staff has developed a hybrid  
 7 approach that combines both reference -- historic reference  
 8 conditions on the one hand and what some others call  
 9 diagnostic goals on the other, and out of that there will  
 10 be developed -- there are in development right now a series  
 11 of specific actions towards specific goals for ecosystem  
 12 restoration.

13 There will be a technical Workshop some time in  
 14 the month of October that specifically addresses the issue  
 15 of targets.

16 This is -- this issue will be one of the two  
 17 major Agenda items on the work group Agenda for next week.

18 At the August meeting which, unfortunately, I  
 19 missed, and Stu Pyle very graciously agreed to Chair the  
 20 meeting, the work group had the opportunity to hear from  
 21 about two case studies of adaptive management currently  
 22 ongoing in the U.S.

23 One was the project down in the Grand Canyon at  
 24 Glen Canyon Dam.

25 Dave Wagner from the Glen Canyon project came

1 There are some areas I thought from public  
 2 comment that I think bear some reporting as well.  
 3 Some of them we've put here on the overhead.  
 4 This group, by the way, is an unusually large  
 5 work group -- excuse me, I'm standing in the way here.  
 6 At every meeting we have I would say at least  
 7 20 or 30 members of the public attending as well as a good  
 8 15 people around the table. There is a lot of interest  
 9 clearly in this component of the CalFed Program.

10 Some of the concerns that have been expressed  
 11 over the last several months include what you see here.

12 A reminder to the CalFed program that when we  
 13 are dealing with a Delta solution, we have to pay attention  
 14 to upstream and tributary restoration, that we also cannot  
 15 not address toxics problems, and I should say -- this  
 16 should say more properly toxics problems in the Central  
 17 Valley itself, not just the Sacramento River, but all the  
 18 river systems, the one main ones that feed into the Delta,  
 19 that we have to look at the impacts of recreational and  
 20 commercial fisheries, as well as Delta agriculture.

21 The issue long-term stability of the levees is  
 22 of great concern to everyone.

23 There is concern that the ecosystem program as  
 24 it's developed through the Phase II process must be sure to  
 25 include a broad enough aerial extent that the proposed

1 and gave a talk about how that project has worked.

2 And Don Ermon (phonetic), whom some of you  
 3 probably know, who is affiliated with the Sierra Nevada  
 4 ecosystem project, made a presentation to the group, and  
 5 from -- by all reports generated a lively discussion about  
 6 the key components of adaptive management for the Delta.

7 This will be the topic of the next several  
 8 meetings of the work group through the end of its mission.

9 Increasingly what we are finding is that as we  
 10 begin to talk more specifically about the components of an  
 11 adaptive management program, that we have to begin to be  
 12 asking what kinds of institutional and financial  
 13 assurances, what kinds of administrative structures are  
 14 going to be necessary for such a program to be successful  
 15 and durable.

16 These are some of the central aspects of  
 17 adaptive management as the CalFed staff is envisioning for  
 18 the Delta (indicating).

19 I think the most important bullet here may be  
 20 the last one, which is that an adaptive management program,  
 21 I think, requires an ability for folks on the one hand to  
 22 agree to a central set of shared goals but be willing to  
 23 alter the actions in reaching that goal over time.

24 That's pretty much the fundamental concept in  
 25 an adaptive management approach to restoration.

1 program will have a good chance of success.

2 And, finally, that the restoration program has  
 3 to have in some way an incorporation of the ecological and  
 4 economic value of agriculture in the Delta.

5 The three major items that we are going to be  
 6 addressing in the next several meetings, as I stated  
 7 before, are beginning to look at the issue of institutional  
 8 assurances.

9 There is some great concern that's been  
 10 expressed both by members of the work group but also  
 11 members of the public that have been attending the meetings  
 12 that the current regulatory community, the current  
 13 configuration of regulatory agencies, may not allow for the  
 14 kind of flexibility that's going to be required for a  
 15 comprehensive Delta solution.

16 That's one thing that we will be discussing in  
 17 greater depth.

18 So the requirements for a really effective  
 19 institutional environment will be on our next Agenda.

20 Some of the issues, I think, in addition to the  
 21 ones that I just raised are that obviously any effective  
 22 institutional assurance has to include a guaranteed revenue  
 23 stream and must have the ability to integrate the  
 24 activities of a multitude of agencies.

25 Secondly, the work group will be looking at a

1 further refinement of the components of the adaptive  
2 management program that's under development currently and a  
3 big piece of that will be reviewing and participating in  
4 the development of goals and targets.

5 That will be a large -- a significant part of  
6 the Agenda for the next week's meeting will be on that  
7 topic in particular.

8 Also, if anybody is interested, you may want to  
9 mark your calendars. Dick may know.

10 I don't know the date of the Workshop on  
11 targets, which will be obviously a fairly technical  
12 Workshop, but that will be coming up before the Public  
13 Workshop, I believe, at the end of October.

14 MR. DANIEL: They are one and the same.

15 MS. SELKIRK: Oh, they are the same. Oh.  
16 Okay.

17 All right. That's all I have.

18 Dick, did you --

19 MR. DANIEL: Yeah, I think I can go  
20 over -- we'll go over a little bit of the staff support for  
21 this process and then Mary and I will be jointly available  
22 for questions.

23 I'm going to go very quickly through sort of  
24 the classic planning process that we are undertaking.

25 We've identified the ecosystem component

1 As Mary pointed out, BDAC eco work group helped  
2 us frame the possible ways of developing those targets, and  
3 we have a very intensive staff effort under way right now  
4 to put some flesh on those guidance principles that they  
5 put together for us.

6 This Workshop that was -- has been discussed in  
7 a couple of different ways is set for Halloween,  
8 October 31.

9 It's going to be in this building, and, I'm  
10 sorry, I don't know exactly which room.

11 It's going to run from nine until four o'clock  
12 in the afternoon.

13 The morning portion of that particular meeting  
14 will include a panel of representatives from the agencies  
15 and interest groups that have the ability to assess the  
16 biological efficacy of the package and targets that we are  
17 putting together.

18 For those of you who are more policy oriented,  
19 the morning session might fit your needs the most.

20 In the afternoon we will have technical  
21 breakout sessions where we will be evaluating the comments  
22 and concerns we will hear from the panel and from the  
23 audience in the morning trying to further refine the straw  
24 proposal that we'll be putting out.

25 And from that Workshop I hope to get enough

1 refinement, the six basic steps that we are undertaking.

2 First, of course, it was very important to  
3 develop a vision.

4 We were able to do that through the  
5 collaborative process associated with a couple of the large  
6 scale Public Workshops that actually happened last fall  
7 where we defined the problems, set up the sub-objectives  
8 relative to habitat and environmental restoration.

9 Then we've gone on to further define the  
10 sub-issues and sub-parts in terms of developing a suite of  
11 actions that would be posed to implement restoration, the  
12 process of defining indicators of ecological health.

13 We did that through a couple of technical  
14 Workshops, and we worked with stakeholders to perform a  
15 very comprehensive literature review to gain experience and  
16 insight from programs elsewhere that are similar in nature.

17 As Mary pointed out, in the process of setting  
18 up specific goals and targets it was very necessary to  
19 define a strategy for implementation, a strategy for  
20 developing the program itself, and a strategy that  
21 surrounds very basic principles of the ecosystem  
22 restoration that we worked out.

23 We did the vast majority of that work through  
24 the BDAC ecosystem restoration work group.

25 We are now in the process of setting targets.

1 insight, such that somewhere in the latter part of this  
2 year, in the November, December, time frame we will be able  
3 to go into the refinement process, which is number four on  
4 this overhead.

5 We'll reset the targets for analysis where we  
6 define the adaptive management program. We expect to have  
7 that pretty well refined through the BDAC work group  
8 process.

9 An important component of adaptive management  
10 and the program that we are going to put forward is  
11 monitoring, monitoring on a project by project or element  
12 by element scale, but also monitoring of the ecosystem in  
13 measuring against these indicators of ecological health  
14 that we are putting together.

15 There is some research needs, research into the  
16 techniques of ecosystem restoration. Research needs still  
17 exist with regard to identifying the specific causal  
18 factors of some of the ecosystem degradation that we see.

19 In addition, another important component of the  
20 package that we hope to have done by late this year is the  
21 phasing.

22 As you all are very much aware, this is going  
23 to be a very long-term process.

24 In order for us to effectively implement it it  
25 will have to be phased at least over a 15 year schedule,

1 quite probably at least 30.  
 2 Included in that phasing are considerations of  
 3 the effects that we must accrue and the priorities that we  
 4 have to establish, the availability of funds to implement  
 5 and opportunities to evaluate the effectiveness of the  
 6 actions that you undertake to restore ecosystem health. So  
 7 phasing is going to be an important component.

8 All of the various elements that I talked about  
 9 will be going into a report that I mentioned I'd like to  
 10 get together by the end of this year.

11 That will include the full array of elements of  
 12 implementation of the restoration strategy and the  
 13 definition of assurances that are going to be required in  
 14 order to implement the program.

15 We will be working with the BDAC ecosystem work  
 16 group to identify the needs for assurances and then working  
 17 collaboratively with the assurances work group to refine as  
 18 to how we might accomplish attainment of those assurances.

19 All of this information goes into the bottom  
 20 line, which is the analysis that goes into the EIR/EIS  
 21 process, the continual iterative refinement of the  
 22 ecosystem component and final publication of a final  
 23 EIR/EIS on the preferred alternative in the fall of  
 24 19 -- or late summer of 1998.

25 That's all I have to run through.

1 I know I did so quickly.  
 2 Mary and I are both available to answer any  
 3 questions that you have at this time.

4 CHAIRMAN MADIGAN: Questions?

5 I have Sunne and then Alex and then Hap.

6 MS. MCPEAK: I want to thank you, Mary,  
 7 and -- for your presentation.

8 I thought it was extraordinarily good.

9 And I have a question -- I have some questions  
 10 to you to think about the -- about what you presented, but  
 11 an overall question to BDAC about what was presented.

12 So after the discussion, Mr. Chairman, I'd  
 13 really like to ask the members of BDAC if you agree with  
 14 the principles laid out by Mary's committee?

15 I mean, this is a fairly major framework you've  
 16 just outlined, which I think is comprehensive.

17 I personally agree with it and support it, but  
 18 I don't want us just to gloss over it.

19 If there is any disagreement around this table  
 20 with what you are doing, we'd better know now.

21 Or maybe it's a matter of nuances and these  
 22 issues that need to be raised can get put into the  
 23 committee.

24 I do want to ask three specific questions to  
 25 you.

1 The first is at the October 31st Workshop will  
 2 there be in advance materials, such as the performance  
 3 standards, the metrics of the ecosystem?

4 I'm not remembering the exact words because I  
 5 don't have the overheads, Mary, that you presented in front  
 6 of us but it was one of those first charges.

7 Because that's the kind of thing that I think  
 8 is fundamental to us reaching agreement and ultimately do  
 9 we have concurrence on the outcome, if you will, of the  
 10 performance of the ecosystem.

11 MR. DANIEL: The package that we will be  
 12 mailing out for participants for that particular Workshop,  
 13 and we are going to use the massive mailing list that we  
 14 have, which is in excess of 2,000 --

15 MS. MCPEAK: It includes all of us?

16 MR. DANIEL: Yeah, all of everybody we  
 17 know.

18 That package will be the metrics. You used  
 19 exactly the appropriate term.

20 It's the acres, it's the miles, it's the CFS,  
 21 the cubic yards, etc., and it's a straw proposal.

22 It's our best effort amongst the agencies of  
 23 CalFed, amongst the stakeholders that have professionals  
 24 that have been able to help us out, our staff and our  
 25 consultants, to put flesh, to put numbers on this.

1 There will be ranges of numbers but it will be  
 2 pretty comprehensive.

3 MS. SELKIRK: Also, there will be  
 4 Frank Wynette who has been working with Dick particularly  
 5 on this effort is going to be doing a presentation at the  
 6 work group meeting next Tuesday morning.

7 So that's an opportunity for anyone here who is  
 8 interested in learning about this work in progress, you  
 9 know, well in advance of the October Workshop. That would  
 10 be an opportunity.

11 There will obviously be summary notes written  
 12 up about that meeting next week but that's another way for  
 13 everyone here to have a window into the process a little  
 14 earlier than the end of October.

15 MS. MCPEAK: Well, that's a very major  
 16 accomplishment to have even a straw proposal, a draft,  
 17 something for everybody to discuss about the metrics, the  
 18 performance of the system, to have that out there.

19 So, congratulations.

20 MR. DANIEL: We haven't got it done yet.

21 MS. SELKIRK: It's very nerve wracking.

22 MS. MCPEAK: That's why we set deadlines.

23 But the second question I have, Mary, is that  
 24 there is in your work outline the term assurances for, of  
 25 course, achieving the performance or the ecosystem

1 restoration.  
 2 How will your dialogue about assurances feed  
 3 into what Hap is doing or am I still not understanding what  
 4 Hap is doing?

5 MS. SELKIRK: We have not in this  
 6 group -- all along there have been illusions to, yes, we  
 7 all understand that we need some kind of institutional  
 8 assurances to make this program work.

9 At next week's meeting we will begin -- I will  
 10 be facilitating a discussion to ask everyone around the  
 11 table to begin to contribute their concerns rather than  
 12 their suggestions about how to -- what these assurances  
 13 should look like, but to make sure that we exhaustively  
 14 take a look at, as we did in the California Assembly  
 15 process, what are the real concerns about all of the people  
 16 around the table that would make -- that could possibly  
 17 cause this project to fail, what are the concerns -- you  
 18 know, what needs from the perspective of all of these  
 19 technical and policy people in the room have that they  
 20 think have to be part of an institutional assurance.

21 So -- and Stu has been hammering on this from  
 22 the get-go and I think we are finally in a position to  
 23 start more specifically addressing that issue but rather  
 24 than defining the problem in terms of the solution, you  
 25 know, what we need is a new agency, you know.

1 I think well before that this group has to  
 2 really address what are the criteria that are essential to  
 3 building a successful institutional assurance.

4 So from there after this next meeting I think  
 5 we'll be prepared at some point in the next -- I don't know  
 6 if it will be between now and the end of the  
 7 year -- probably more appropriately as the strategy  
 8 part -- the ecosystem strategy comes to some kind of  
 9 completion before the end of the year that we are going to  
 10 want to have some kind of joint Workshop or some -- begin  
 11 to have some kind of joint discussion about this issue.

12 CHAIRMAN MADIGAN: Thank you.  
 13 Alex.

14 MR. HILDEBRAND: I'd like to ask a  
 15 question and then respond a little bit to what Sunne  
 16 (indicating) asked.

17 I didn't hear anything in your presentation  
 18 that addresses the problem of exotic species.

19 How do you deal with the feasibility and  
 20 durability of achieving the goals that you have set out in  
 21 view of the competition on a native species from the  
 22 existing and growing amount of exotic habitat in the whole  
 23 ecosystem, top to bottom? I don't know just how you deal  
 24 with that.

25 My concern is that we don't set a goal that is

1 predictably not achievable because of something we can't  
 2 control.

3 MS. SELKIRK: Right. Right.

4 That's an excellent point, Alex, and I think it  
 5 was that we failed to mention that when we listed, you  
 6 know, other central areas of concern that had been raised  
 7 in a work group.

8 But, Dick, I think you can respond to that.

9 MR. DANIEL: From a strategy standpoint  
 10 there are a very few of the introduced exotic species that  
 11 we can try and do something about.

12 Water hyacinths as an example.

13 We can do a lot better job than we currently  
 14 are in terms of controlling water hyacinths in the Delta.

15 There are other species, like the exotic clam,  
 16 the Oriental clam, we probably can't do anything about, nor  
 17 can we predict what the future influence those exotics are  
 18 going to have on the system.

19 The only way we can deal with that is through  
 20 adaptive management to put together a comprehensive  
 21 program, commence to implement it, evaluate the benefits or  
 22 the failures and make adjustments accordingly over a long  
 23 period of time.

24 That's the best that we can do.

25 MR. HILDEBRAND: Basically, I think what

1 this means is that we can set goals that are desirable, but  
 2 we can't guarantee that they are achievable because of  
 3 these things we can't control.

4 So we can't say that we are actually going to  
 5 achieve these goals but we could say the desirable goals,  
 6 we could move in that direction by doing certain things and  
 7 getting back then to Sunne's question to the members of  
 8 BDAC, I have no problem at all with setting up these goals.

9 They are good goals, and we should achieve them  
 10 if we can, but I do think that before we say that a  
 11 particular strategy or goal or what have you is going to be  
 12 part of our ultimate program we have to have some  
 13 assurance, judgmental assurance, that we are not going to  
 14 spend a lot of resources on something that's probably not  
 15 achievable, anyway, and those resources are then at the  
 16 expense of other interests.

17 And so I distinguish between encouraging you to  
 18 get on with what you are doing and applauding what you are  
 19 doing on the one hand and having reservations as to whether  
 20 this will predictably lead to components in our  
 21 alternatives that may not have to be scaled down somewhat  
 22 as to the cost versus the assurance of success.

23 And when we talk of assurances, there are two  
 24 kinds of assurances.

25 One is can you carry out the methodology you

1 propose, and the other is whether they will surely achieve  
2 the goals.

3 MS. SELKIRK: Absolutely.

4 CHAIRMAN MADIGAN: Hap, then David.

5 MR. DUNNING: Well, my question was asked  
6 by Sunne, and, that is, the relationship between our  
7 existing work group on assurances and what the ecosystem  
8 reservation work group is doing with regard to  
9 institutional assurances, and what I heard Mary say is they  
10 are launching into an examination of all concerns of all of  
11 the stakeholders.

12 As you'll hear later, the assurances work group  
13 is basically following a needs based approach, beginning  
14 with an identification of that very thing, so I do have  
15 some concern about the efficiency of our process and  
16 question in my mind as to whether in the ecosystem  
17 restoration work group is doing exactly what we are trying  
18 to do in the ecosystem work group, is that a good idea.

19 CHAIRMAN MADIGAN: Good question.

20 Lester.

21 EXECUTIVE DIRECTOR SNOW: Actually, I  
22 think I think there is greater compatibility than may  
23 initially be apparent.

24 I think the ecosystem work group, water use  
25 efficiency, probably even finance, as a course of their

1 chicken or an egg kind of thing.

2 All of the work groups were going to be  
3 identifying needs that had to be assured at some point but  
4 there were different stages of their process so the idea  
5 was partially that on a staff level we would coordinate the  
6 concerns that people were hearing from the work group  
7 members and try to articulate it in some kind of a  
8 framework and through the assurances work group kind of  
9 jump start the process in the other groups.

10 What I had asked for from the work groups by  
11 November was a list of each of those work group's specific  
12 concerns, not necessarily the answers, but at least the  
13 questions.

14 Because the assurances work group has already  
15 started meeting the goal was to try to take what the work  
16 groups already knew or the issues that had already been  
17 raised, identify them in the assurances work group as  
18 concerns raised in a number of differing forums and put  
19 them together in what we've started, what Hap has described  
20 and we'll describe later on, is a framework of not only the  
21 concerns of the individuals and groups, but also some  
22 objectives and needs that will come out of taking those  
23 concerns and looking at the program components, figuring  
24 out what needs and objectives have to be met by the  
25 assurances.

1 activities will identify specific assurance needs that will  
2 just come up from there discussion.

3 I think it is our view that then those needs  
4 move to the assurances group for refinement in terms of  
5 which tools can address them so we do not see each of the  
6 work groups, either BDAC work groups or technical work  
7 groups designing their own assurances programs but as in  
8 the course of their work they identify the need for  
9 assurances then that needs to move into the assurances work  
10 group.

11 MR. DUNNING: But isn't that the first  
12 step of what the assurances work group is supposed to do,  
13 identify needs on its own?

14 EXECUTIVE DIRECTOR SNOW: Mary, if you  
15 want to add to this.

16 But, certainly, as the greater detailed  
17 discussions go on in the work groups as they identify more  
18 specific needs I think we would not want to say to them  
19 don't forward them to the assurances work group.

20 MR. DUNNING: No, that's not my point.

21 My point is does it make sense to have the  
22 ecosystem work group allocate apparently a significant part  
23 of its effort to doing something that's actually going on  
24 in another work group.

25 MS. SELKIRK: Part of our concern was a

1 So it is an iterative back and forth kind of a  
2 process.

3 The assurances work group paper is going to be  
4 distributed to all of the other members of the other work  
5 groups so that it won't just be a coordination on a staff  
6 and consulting level but also within the work groups  
7 themselves.

8 So it is a little redundant perhaps and a  
9 little unclear but it's the best way we could figure to  
10 make sure that we got the process going and checking with  
11 the other work groups.

12 So I'm hoping it will be more formalized and  
13 make some greater sense as the work groups get to a point  
14 of being able to handled over a list but our document will  
15 at least provide them the with first written I think  
16 comprehensive approach to an articulation of the concerns.

17 CHAIRMAN MADIGAN: Hap, does that make  
18 sense?

19 MR. DUNNING: (Affirmative nod)

20 CHAIRMAN MADIGAN: Mary.

21 UNIDENTIFIED SPEAKER: When will that be  
22 issued?

23 MS. SELKIRK: It's in the works now. The  
24 CalFed staff has been just overwhelmed this week with  
25 papers to get out. So I'm not sure where it is in the

1 queue.

2 CHAIRMAN MADIGAN: Mary Selkirk, are you

3 comfortable with that approach?

4 MS. SELKIRK: Yes.

5 I mean, I think that's what's organically

6 what's happening and it fits, I think, well with my idea

7 about what I hope to do in our restoration work group next

8 week.

9 I am not interested in jumping to solutions but

10 to try to carefully ensure that we are adequately

11 addressing what all of the needs that can be recognized by

12 the folks who, you know, live and breathe ecosystem

13 restoration so . . .

14 CHAIRMAN MADIGAN: Stu, on this point.

15 MR. PYLE: I think there may be some

16 overlap, as indicated, but I don't think that's going to be

17 harmful because I think it's going to be more focused on

18 the concerns of these people on the ecosystem restoration.

19 But I think one of the assurances goes a little

20 further than was spoken of in Hap's assurance work group,

21 and, that is, the assurance of implementations, which gets

22 to this administrative structure, of how do we assure that

23 all of these agencies in California that have

24 responsibilities for funding and programs come together to

25 focus on a program that will carry out the objectives that

1 of problems that are surfacing in population declines in

2 some of the other species.

3 They were able to invade simply because the

4 system is terribly perturbed.

5 We hope that by restoring an ecological

6 balance, by restoring ecological health, that those species

7 that were advantaged as a result of the percolation will be

8 disadvantaged and some reasonable balance that we can't

9 necessarily predict will reoccur.

10 What we do know is that we don't have the

11 opportunity to go poison them out.

12 We probably don't have enough resources to

13 return the system to its former state.

14 We know we don't have the resources to do that,

15 plus we have to deal with the fact that we have 45 million

16 people, but we can evaluate our vision towards ecosystem

17 health.

18 We can modify programs as we go along through

19 the adaptive management process, and we can institute

20 programs, regulatory programs, to at least reduce, if not

21 eliminate, the probability of additional invasions through

22 some of the normal sources, such as ballast water.

23 That's the way that we feel we'd have to do it.

24 MR. GUY: I guess the question I guess

25 maybe I am asking is is this conceptual framework that you

1 are laid out in the CalFed result?

2 So it's getting to that administrative

3 structure, and I think that's probably one of the major

4 assurances just as if it were a legal or a social or some

5 other type of assurance.

6 CHAIRMAN MADIGAN: Okay. Thank you.

7 David and then Roger.

8 MR. GUY: Yeah, Dick.

9 I just have a quick question on the exotic

10 species to follow-up on Alex.

11 Is it an ecosystem function? Is it a limiting

12 factor and I think it needs to be in your analysis, where

13 does it fit into the whole scheme that you've set forth?

14 MR. DANIEL: There are a lot of different

15 ways to look at the exotic species.

16 In terms of ecosystem function, in many cases

17 species that have invaded the San Francisco Bay, Delta

18 system replaced other species that were more native, have

19 been here longer.

20 They occupy the same niche in the ecosystem.

21 They accomplish or contribute to the same ecosystem

22 function and they are not necessarily harmful.

23 It's a natural process of invasion.

24 Other species have occupied our Delta as a

25 result of its perturbed state. They have taken advantage

1 set up really able to deal with it because it seems like

2 you are saying, well, we'll throw it into adaptive

3 management.

4 Does it fit into the framework of exotic

5 species?

6 MR. DANIEL: Yes.

7 MR. GUY: If not, we ought to redo the

8 framework.

9 MR. DANIEL: I think we are in a position

10 to effectively address the role that exotic species play

11 now, to effectively address our desire to reduce or

12 eliminate future invasions by exotic species, and in a

13 couple of limited cases, to specifically address management

14 or hopefully eradication of some exotic species that we can

15 deal with.

16 Other than that, I don't want to give you any

17 illusions that somehow we can get rid of the Oriental clam.

18 We have some species that are introduced into

19 our system that are very desirable. The large mouth bass,

20 striped bass, American shad, and those will be managed.

21 MS. SELKIRK: Can I just add to that?

22 CHAIRMAN MADIGAN: Yes, Mary.

23 MS. SELKIRK: I wanted to respond to

24 David.

25 This has been a topic of discussion.

1 I am not a technical person. I am, you know, a  
 2 policy person, but we have had discussion -- I've had  
 3 discussion with CalFed staff about how they intend to and  
 4 how they are currently integrating the expertise of people  
 5 through, you know, in -- around the country who are working  
 6 on exotic species because there are folks who know a lot  
 7 about it.

8 There are Federal laws in place and monitoring  
 9 programs in a couple places, including the Great Lakes,  
 10 that have been somewhat effective, but I think we also need  
 11 to look at how this restoration program is going to  
 12 include, I think, ballast water regulation, et cetera, but  
 13 I think we need -- that in the process of Phase II there  
 14 will be consultation with folks, including Andy Cohen,  
 15 whose article in our paper -- in our packet who know this  
 16 stuff backwards and forwards are definitely going to be  
 17 involved in the Phase II process so . . .

18 MR. GUY: I'm trying to understand your  
 19 framework and I still don't understand how that fits in and  
 20 I think that might be something you want to grapple with,  
 21 where does it fit into the Bay-Delta.

22 There are two sentences that are very near each  
 23 other that seem to me to be in conflict.

24 And the first is the conversion of substantial  
 25 acreage of leveed land to tidal wetlands and then down

1 active members of the work group as -- and probably  
 2 starting on Tuesday morning when the group begins to have a  
 3 greater understanding of how the CalFed staff is actually  
 4 developing targets, which is going to include questions of  
 5 aerial extent and what kinds of aerial extent that out of  
 6 that -- I think out of this discussion we will provide some  
 7 perspectives and some clear policy questions that need to  
 8 be addressed, I think, by the whole Council as a whole.

9 CHAIRMAN MADIGAN: Thank you.

10 Roger Thomas and then Roger Strelow.

11 MR. THOMAS: Clarification.

12 On one of your bulletins you had impacts on  
 13 recreational and commercial fisheries.

14 If it is of, I think it should be the opposite.

15 It should be the health of the system should be  
 16 on recreational fisheries.

17 I think it said of and I just wanted to make  
 18 that clarification.

19 CHAIRMAN MADIGAN: Roger.

20 MR. STRELOW: Other than the agricultural  
 21 land issue which you just discussed which clearly is a  
 22 major source of potential contention in controversy, are  
 23 there a couple other issues, substantive issues, that you  
 24 could identify at this point that you think are likely to  
 25 be the principal sources of potential controversy that this

1 below that the protection and enhancement of agricultural  
 2 land uses.

3 Are those not directly in conflict and, if so,  
 4 how do you intend to reconcile that?

5 MS. SELKIRK: Well, I thought BDAC was  
 6 going to reconcile that.

7 MR. GUY: It's in your strategy.

8 MS. SELKIRK: I think it's really a  
 9 central issue.

10 And in response to that I just want to say I  
 11 actually have a proposal to Lester that those kinds of  
 12 policy issues which clearly going to be embodied very  
 13 concretely in the proposed restoration program have  
 14 to -- in my view need to be addressed by the Council as a  
 15 whole, conceptually, anyway, maybe not numbers of acreage,  
 16 et cetera.

17 But I think we have to know that we have a  
 18 common language about what balance are we trying to strike  
 19 here and how could we do that in a way that's respectful of  
 20 agricultural values as well as environmental values in the  
 21 Delta?

22 So I'm not answering your question, obviously,  
 23 but -- directly, but I think that this work group has begun  
 24 to grapple with that.

25 We have a number of Delta farmers who are very

1 group ought to be alerted to and that they plan to be  
 2 dealing with?

3 MS. SELKIRK: I think that's the major  
 4 one.

5 MR. DANIEL: Do you want me to cut my own  
 6 throat?

7 MS. SELKIRK: Yeah.

8 MR. STRELOW: Go ahead.

9 MR. DANIEL: Alex pointed out the conflict  
 10 between water uses, conflicts associated with land uses.

11 There may end up some conflicts that have to  
 12 get resolved vis-a-vis recreation.

13 Roger pointed out both that the conflict and  
 14 the benefits associated with ecosystem restoration with  
 15 regard to recreational and commercial fisheries, this whole  
 16 program is full of conflicts and controversies.

17 In fact, we used to put up overheads that  
 18 talked about resolving the conflict between.

19 That's what we are trying to address and we  
 20 think we've got a pretty good process for doing that.

21 MS. SELKIRK: But I wanted to say at the  
 22 same time that I think that there is -- and there are  
 23 members of the public who are active participants in the  
 24 group and also work group participants here, so they should  
 25 feel free to chime in, but I think one thing that's of real

1 interest to me is that there is a fair amount of agreement,  
 2 actually, about what needs to happen.  
 3 It's just how is it going to happen, you know,  
 4 who is going to pay? Over what time period?  
 5 MR. STRELOW: That could be a conflict  
 6 itself, not a disagreement over ends but a disagreement  
 7 over the need.  
 8 MS. SELKIRK: Absolutely.  
 9 MR. STRELOW: I was encouraged on this  
 10 exotic species issue.  
 11 I think it may have been what you were alluding  
 12 to about the ballast water but there is the article, the  
 13 last item in the packet, of course, is this New York Times  
 14 article, which kind of accepts exotic species as just,  
 15 well, that's what the ecosystem is now and not much you can  
 16 do about it but there was another article about this same  
 17 time of a, I think, a Great Lakes based project on treating  
 18 ballast water.  
 19 It was very encouraging, at least the fact that  
 20 somebody is working on it seriously and I assume that will  
 21 be --  
 22 MS. SELKIRK: I think Sharon Gross was  
 23 working on, that weren't you?  
 24 SHARON GROSS: A long time ago.  
 25 MR. DANIEL: Sharon has the background on

1 MR. HILDEBRAND: I would prefer that we  
 2 qualify Sunne's statement to say that we are in support of  
 3 the goals they are developing and the measures they are  
 4 developing as proposals but not as prejudging that they can  
 5 become components of the solution until we find out what  
 6 these impacts are, what the uncertainties are of achieving  
 7 the goal, what the resource demands are, so forth.  
 8 CHAIRMAN MADIGAN: Sunne.  
 9 MS. MCPEAK: I don't have objection with  
 10 that qualification.  
 11 I understand, I think, why Alex poses it and  
 12 the rationale for it. That at least moves us along.  
 13 I think we realize that all of the work  
 14 produced by the work groups has to get integrated and the  
 15 iterative process that got discussed even on assurances is  
 16 going to keep modifying what we know and what we are able  
 17 to conclude as appropriate and meeting the ultimate goals  
 18 of the BDAC process on one of those first overheads that  
 19 Lester presented.  
 20 MR. HILDEBRAND: well, I agree with that.  
 21 My concern is that we seem to have listed as  
 22 firm components of alternatives some things that haven't  
 23 yet been subjected to that kind of examination.  
 24 Therefore, I think we have to keep that before  
 25 us, that they are subject to that further examination.

1 that program.  
 2 And there is an example where quite possibly  
 3 the focus is on dealing with water supply impacts  
 4 associated with the zebra muscle and the fact that it's a  
 5 fallowing agent, which would hopefully attend an ecosystem  
 6 benefits by controlling that particular species.  
 7 CHAIRMAN MADIGAN: Okay. Sunne.  
 8 MS. MCPEAK: Mr. Chairman, may I once  
 9 again ask if the BDAC members are in concurrence with the  
 10 principles and the framework that Mary presented?  
 11 We have worked on a consensus basis.  
 12 I've been trying to reflect on how to pose that  
 13 so it's not a motion, but I'd like to suggest, propose,  
 14 unless there is objection, that we go on record as  
 15 concurring with the principles and framework for the  
 16 ecosystem restoration presented by Mary and the work group.  
 17 CHAIRMAN MADIGAN: All right.  
 18 There is a recommendation by the co-Chair in  
 19 that regard.  
 20 I'm going to call for public comment -- I'll  
 21 get to Alex first -- I'm going to call for public comment,  
 22 see if there are people who have things that they want to  
 23 say about this item, the ecosystem restoration and then  
 24 we'll take an action on Sunne's motion.  
 25 Alex.

1 CHAIRMAN MADIGAN: Okay. Roberta.  
 2 MS. BORGONOVO: I think also that several  
 3 of us had commented on the fact that we like the approach  
 4 but we would like the ecosystem element even more extensive  
 5 and visionary so I think that I appreciate what you're  
 6 trying to do, which is to tell them they are going in the  
 7 right direction, which I agree with, but I think that all  
 8 of our other comments are part of that.  
 9 CHAIRMAN MADIGAN: Members of the  
 10 audience, I haven't got any speaker slips in hand up here  
 11 but Mr. Bobker.  
 12 GARY BOBKER: Just a couple of brief  
 13 comments.  
 14 It's a little disturbing, I think, to reflect  
 15 on some of the comments that have been made about the  
 16 issues of shifting impacts.  
 17 I mean, I think it's an issue that we have to  
 18 be very sensitive about but there seems to be sometimes an  
 19 underlying assumption that CalFed can proceed with  
 20 solutions as long as nobody is impacted, and that's not  
 21 going to happen.  
 22 This is all about shifting impacts. The fact  
 23 is that the level of existing impacts to the environment  
 24 have been unacceptable at high level of unacceptability for  
 25 a long time and that, frankly, one of the main reasons we

1 are here is that as we've been starting to think about  
 2 shifting the impacts away from the environment we are  
 3 impacting other people.  
 4 They are concerned about it and they want to  
 5 make sure it's done in the most efficient and sensitive  
 6 manner that's appropriate, but those impacts are going to  
 7 be shift or we are not going to go anywhere with this  
 8 process.  
 9 I think it's important to look at the fact that  
 10 the impacts to the environment have revolved around  
 11 obviously impacts involving flows, habitat and other things  
 12 and we are going to need to restore flows and restore  
 13 habitat and that's going to impact on the alternative uses  
 14 of flow and habitat right now.  
 15 The thing to do is to identify where we are  
 16 going to get the best bang for the buck in doing flow,  
 17 habitat and other restoration actions and where we can  
 18 preserve the existing values of agricultural or other uses  
 19 of habitat and flow where it doesn't contribute to getting  
 20 a very effective restoration strategy.  
 21 So I think that if we look at it in that light  
 22 we can proceed but if we are going to assume that there's  
 23 no impacts there is no point at all.  
 24 I also wanted to just comment on the issue that  
 25 was raised about exotic species and where that fits in that

1 relative to this component part.  
 2 Silence also often means assent.  
 3 CHAIRMAN MADIGAN: No, I think that would  
 4 actually take some sort of official question here that is  
 5 there a sense of the House recognizing that it isn't final  
 6 and that there are hopes and aspirations for shadings of  
 7 those, are they, in fact, headed in the right direction,  
 8 and that would be the question that would be posed.  
 9 MR. REMY: Am I to assume then that since  
 10 we have five more components that will be before us today  
 11 that we could be expected to confront each of those with  
 12 the same query?  
 13 CHAIRMAN MADIGAN: I don't know that all  
 14 five are as far along as this one, but the answer to your  
 15 question is that I think that Sunne raised is that, yeah,  
 16 it is appropriate for us to confirm as we go through this  
 17 process that those sort of -- to pick a term -- core values  
 18 of where the various working groups are headed are  
 19 reflective of the hopes and aspirations of this operation.  
 20 Alex.  
 21 MR. HILDEBRAND: Due to my experience in  
 22 farming, I have exotic weeds and no matter how much care  
 23 give to the crops the exotic weeds don't disappear, causes  
 24 me to be a little apprehensive about relying on the idea  
 25 that we are going to squeeze down the existing exotic

1 I think David raised.  
 2 It's an important question, but I think that  
 3 although there are a number of actions that can be taken to  
 4 prevent new species introductions in terms of programs that  
 5 can be underway it's kind of look locking the barn door  
 6 after the animals got into the barn.  
 7 The most important thing is to take a look at a  
 8 system that's peculiarly susceptible to introductions. We  
 9 have a very disturbed dysfunctional system and as we start  
 10 to hopefully restore that stem what we are going to do is  
 11 reduce its vulnerability both to new introductions and  
 12 lessen the impact that introduce species that are already  
 13 here are having on native or other valuable species and I  
 14 think that's integral to the ecosystem restoration strategy  
 15 that Dick and Mary discussed so I think they have  
 16 incorporated a lot of that concern.  
 17 The question is do you take a systems approach  
 18 or do you just, you know, look at it as one exotic at a  
 19 time?  
 20 That's about it.  
 21 Thank you.  
 22 CHAIRMAN MADIGAN: Thank you.  
 23 Ray.  
 24 MR. REMY: A little bit of clarification  
 25 on Sunne's desire for some expression on the part of BDAC

1 species by improving the habitat.  
 2 So I would ask that we be given some kind of  
 3 basis for believing that that is actually going to be the  
 4 case before we rely on it very much.  
 5 CHAIRMAN MADIGAN: Mary, you will no doubt  
 6 be bringing us additional information as we go? That's a  
 7 fair point.  
 8 MS. SELKIRK: (Affirmative nod)  
 9 CHAIRMAN MADIGAN: All right. Sunne's  
 10 question is the sense of the House.  
 11 Is there anybody -- let me just ask if there is  
 12 anybody who disagrees with that notion?  
 13 MR. REMY: Could you rephrase it with  
 14 Alex's caveat so I know exactly what it is.  
 15 CHAIRMAN MADIGAN: Well, Alex's caveat, we  
 16 don't have all of the information that we need at this  
 17 exact moment to cast them definitively so it's a direction  
 18 more than it is a final conclusion.  
 19 All right then. Okay.  
 20 Mary, thank you very much.  
 21 Dick, thank you.  
 22 A lot of hard work. It shows that there is a  
 23 lot of good thinking going into this.  
 24 We are going to break for lunch here. I am  
 25 told that lunch is across the hall in Room 317.

1 It is only a few steps away and we will try to  
 2 be back here at 1:10.  
 3  
 4 (Whereupon the noon recess was taken at  
 5 12:50 p.m., after which the following  
 6 proceedings were had at 1:15 p.m.)  
 7  
 8 CHAIRMAN MADIGAN: All right. We are back  
 9 in session.  
 10 I hope that everybody had a delightful lunch.  
 11 Before we start on the next presentation, which  
 12 will be the water use efficiency presentation by Judith and  
 13 Rick, I want to ask Tom Graff if he would take a minute and  
 14 report on the conversations back in Washington this past  
 15 week, which led to some very interesting and encouraging  
 16 results.  
 17 MR. GRAFF: Thank you, Mike.  
 18 I think it was just last meeting that Steve  
 19 Hall and I did a presentation on Prop 204.  
 20 Steve, as you may have noted is not here today.  
 21 He is in Washington trying to help put together the sequel  
 22 to 204, and let me describe that a little bit in his  
 23 absence.  
 24 I'm a little bit out of date because things  
 25 have been moving so fast just in the last two weeks but let

1 several California Republican congressmen, most notably  
 2 Congressman Baker and Congressman Magdanovich, I'm sure  
 3 they were there, put out a series of releases saying that  
 4 they would introduce a Bill which they did, in Congressman  
 5 Baker's name to accomplish essentially the same goal as the  
 6 Dole/Kemp press release had promised.  
 7 I believe it's fair to say that Secretary of  
 8 State Bill Jones had a lot to do with both of those actions  
 9 in prompting the leadership -- or the presidential campaign  
 10 and the leadership of the House to get behind this effort.  
 11 Some of the scuttlebutt around that indicates  
 12 that the -- those efforts came as quickly to some as  
 13 unexpectedly as they did in part because the word was out  
 14 that the President was going to be in Fresno on Thursday  
 15 and the Republicans were anxious to get their positions out  
 16 in advance of the President.  
 17 The President did go to Fresno on Thursday. He  
 18 himself made no announcement on the subject but his Chief  
 19 of Staff, Leon Panetta, announced in a Press Conference  
 20 that the Clinton Administration supports 204, Proposition  
 21 204, but made no direct statement on the Federal funding  
 22 angle.  
 23 Various Bills were floated. We are all talking  
 24 now in a compressed ten-day period, notably by Congressman  
 25 Baker and one that never actually saw the light of day but

1 me tell you what I know as of about five p.m. eastern time  
 2 yesterday.  
 3 A Bill co-sponsored by at that point already 43  
 4 California Congress people of both parties and all regions,  
 5 had been not introduced, at least agreed to -- the text of  
 6 it had been agreed to.  
 7 I'm told that as of this morning Senator Boxer  
 8 has weighed in with a letter in support of that legislation  
 9 and that Senator Feinstein is soon to follow suit.  
 10 Let me just kind of give a quick background on  
 11 how we got there, and obviously, some of this is going to  
 12 be my interpretation so others should chime in where they  
 13 see it a little differently.  
 14 A week ago Monday, I believe I was, the  
 15 Dole/Kemp campaign issued a press release endorsing  
 16 Prop 204 and urging a Federal counterpart, which would  
 17 provide additional funds to those that otherwise would be  
 18 forthcoming from the Federal Government to meet Federal  
 19 cost-sharing responsibilities and/or obligations, and I  
 20 don't know if this is good or bad, but suggesting that the  
 21 Clinton Administration might otherwise be inclined to  
 22 merely reprogram existing funds.  
 23 Before the ink was essentially dry on that  
 24 press release, I think it was just a day later Speaker  
 25 Gingrich flanked by a large number, I think, or at least

1 was kind of back channeled by Congressman Fazio, which  
 2 tended to be sort of general, open-ended authorizations of  
 3 Federal participation and cost-sharing arrangements with  
 4 the State in connection with BDAC and 204 and related  
 5 matters.  
 6 At this point the variety of -- I should have  
 7 mentioned, by the way, that State Senator Acosta was, I  
 8 think, quite actively involved with the President and  
 9 Leon Panetta and their effort.  
 10 A variety of interest groups got together, took  
 11 a look at some of these bills, had various problems with  
 12 them and really working from the bottom up drafted an  
 13 authorization Bill that by this last Wednesday, the 18th of  
 14 September, was acceptable to a broad group of entities and  
 15 a letter was sent sort of midday Wednesday to the  
 16 California Congressional delegation, copies to the  
 17 President and the Governor.  
 18 And I might as well just read it. It's not  
 19 very long.  
 20 Dear members of the California Congressional  
 21 delegation, as representatives of organizations that were  
 22 actively involved in the development of California Senate  
 23 Bill 900, Proposition 204 and as "stakeholders" in the  
 24 CalFed Bay-Delta Process we are writing to express our  
 25 support for the attached legislative proposal to authorize

1 Federal appropriations for ecosystem restoration elements  
 2 of the Bay-Delta program.  
 3 The proposal reflects a consensus among  
 4 agricultural, urban and environmental interests and we urge  
 5 you to move it forward in a bipartisan manner.  
 6 Questions or comments regarding this proposal  
 7 can be directed to David Yardis, EDF, Tim Quinn, MWD or  
 8 Dan Nelson, SLDMWA.  
 9 Thank you and then it's signed by a  
 10 list -- I'll just quickly tick them off.  
 11 Aqua, CVP Water Association, EBMA, DDF, Friant  
 12 Water Users, Kern County Met, Natural Heritage Institute,  
 13 Nature Conservancy, Northern California Water Agency, San  
 14 Francisco PUC, San Luis and Delta Mendota, Santa Clara  
 15 Valley Water District, Save San Francisco Bay, State Water  
 16 Contractors and Tulare Water Basin State Water Storage  
 17 District.  
 18 Quite extraordinary in my mind that less than a  
 19 day or almost exactly 24 hours later there were 43  
 20 California congressmen in support of exactly the language  
 21 that was transmitted to Washington the day before.  
 22 Quickly this was in the Bill I mean, it's got  
 23 some very carefully crafted language but in general what it  
 24 would provide is over three fiscal years, '98, '99 and  
 25 double zero a total of \$430,000,000 of authorizations, not

1 I'll shut up quickly, some people have weighed in pointing  
 2 out that Proposition 204 is considerably broader than  
 3 merely a Bay-Delta Bill, and there can and should be over  
 4 time perhaps at various levels depending on the program  
 5 cost-sharing for other elements of Prop 204 besides  
 6 Bay-Delta restoration, particularly besides the encumbered  
 7 390 million, but the Bill is precise on providing  
 8 cost-sharing solely for the two items that I indicated  
 9 above.  
 10 And the justifications for that, partly other  
 11 than the press of time and the fact that all of this has to  
 12 be done in very short order because there isn't much time  
 13 left in Congressional session, is that that is the only set  
 14 of funds that for which there is a -- essentially a new  
 15 legal requirement arising out of Prop 204, assuming it  
 16 passes, that it is appropriate to provide a new Federal  
 17 authority to match, and that's a principal reason, I  
 18 wouldn't say it's the only reason, that it's called out in  
 19 specific in the Federal legislation.  
 20 Now what we are hearing in the Washington  
 21 experts is that it is difficult to find a vehicle on which  
 22 to attach this legislation.  
 23 One thought was the water resources and  
 24 development act, which is kind of a biennial effort to  
 25 authorize water projects of various kinds and usually the

1 appropriations, authorization for additional Federal funds  
 2 and additional is hard to get your hands on, but there is  
 3 an attempt to do that, which would be for two purposes, the  
 4 Federal share of category three, which arises out of a  
 5 Bay-Delta Accord in December, 1994, and the Federal share  
 6 of meeting Federal obligations towards the cost-sharing  
 7 agreement for Bay-Delta restoration set forth in a specific  
 8 provision in Prop 204.  
 9 As most of you will remember, Prop 204  
 10 encumbers 390 million of its total 995 million contingent  
 11 in part on a cost-sharing agreement being reached with the  
 12 Federal Government, and this is an effort to provide an  
 13 authorization that will help the Federal Government sign on  
 14 to such a cost-sharing agreement.  
 15 I might say there is an additional provision,  
 16 it's a little complicated but it provides for a reporting  
 17 by the office of management and budget on a so-called  
 18 budget cross-cut, sort of will tell you what the existing  
 19 through fiscal '97 funding for related programs has been  
 20 and will be.  
 21 Governor Wilson I think fairly stated was  
 22 principally responsible for urging that kind of a  
 23 provision.  
 24 Now, just in terms of sort of a little bit of  
 25 background, additional background on the politics and then

1 Corps of Engineers focus.  
 2 That view is billed by some as not likely to be  
 3 brought up at all even though it's passed both houses in  
 4 different forms.  
 5 There is a thought of attaching it to a CR,  
 6 continuing resolution, or a Bill to run the Federal  
 7 establishment. Nobody quite knows what's going on with  
 8 that.  
 9 So what vehicle, if any, could be found to play  
 10 such a Bill on is uncertain.  
 11 But as I noted earlier, there is broad support  
 12 in the California delegation of the House and the speaker  
 13 has endorsed that, as have several committee chairs who are  
 14 relevant in this area.  
 15 The Senate is a potentially more difficult  
 16 problem. Those of us who have been involved in this, and I  
 17 have been less than others, realize that we haven't really  
 18 put together a full fledged justification for why  
 19 California as a state should receive this fairly large new  
 20 authorization of Federal funds.  
 21 You really have to make a justification that  
 22 will persuade senators from other states that it's worthy  
 23 to endorse, one perhaps persuasive point is it's only an  
 24 authorization. It's not actually dollars out the door.  
 25 And lastly and maybe at some point Patrick

1 Wright would want to comment on this, we haven't formally  
2 heard from the administration on its position with respect  
3 to the Bill nor have we heard from Senator Laude or  
4 Senator Dashed, in the Senate leadership.

5 CHAIRMAN MADIGAN: Thank you, Tom.  
6 That's an impressive amount of work in a very  
7 short period of time and a pretty impressive demonstration  
8 of consensus and ought to be pretty encouraging.

9 You know, we don't actually have exactly any  
10 cash in hand at the moment but the fact is that there is a  
11 204 on the ballot, the fact is that there seems to be  
12 substantial bipartisan support in the House for this piece  
13 of legislation.

14 Both of them are important to us in terms of  
15 where we are eventually headed and I think the whole thing  
16 is encouraging from just a number of different  
17 perspectives.

18 You talked to the President in the last couple  
19 of days and what does he think?

20 MR. WRIGHT: As far as I know, we don't  
21 have a -- there is no official administration position yet  
22 on the Bill at least as of yesterday. I don't know if  
23 there will be one soon.

24 Certainly, I think we appreciate the consensus  
25 that has been built on this thing. As a number of people

1 the FY89 budget.

2 So to help deal with that process we've got a  
3 more slower process moving underway at the regional level  
4 to try to gather as much information that we can on the  
5 budgets of the various Federal agencies that are involved  
6 in all aspects of this process.

7 And then comparing those available pots with  
8 the needs that are being identified right now by the CalFed  
9 agencies to make sure we've got a match up.

10 Hopefully, when we get that process through in  
11 a couple of months, we can then go to back to Congress and  
12 the appropriations committee with an a little bit more  
13 detail on exactly what the needs are and how this money is  
14 going to be spent, which agencies they should be passed  
15 through, et cetera, so we're hopeful that this will be a  
16 big shot in the arm to those efforts, regardless of whether  
17 or not the Bill actually makes it through in the next month  
18 or so.

19 CHAIRMAN MADIGAN: Actually, Patrick, it  
20 would be better if the Bill made it through in the next  
21 month or so. And you might pass that on to the President  
22 the next time you see him. Okay.

23 Anyway, congratulations to all of you that  
24 either individually or institutionally worked on it.

25 That's an impressive start on a very difficult

1 have been joking today it's remarkable on how such an  
2 extraordinary coalition can be brought together as Tom  
3 said, when you are talking about spending public money.

4 Now that's not going to make it necessarily any  
5 easier in Washington with folks that have to deal with  
6 other budgetary priorities so we'll have to see how it gets  
7 through that process but I think a number of provisions in  
8 the language, even if they don't make it through this year,  
9 are important for the consensus effort in the stakeholder  
10 process, things like clarifying the nature of the match,  
11 trying to push a what's now known, I guess, as a cross-cut  
12 budget to make sure all Federal Agency money that's being  
13 spent in the Delta is well coordinated.

14 We certainly think that's a good idea and this  
15 kind of language I think will help us get that.

16 The regional offices have been pushing for that  
17 for some time and hopefully this will give us a little bit  
18 more leverage in that.

19 I think the big issue is going to be one that  
20 Tom alluded to, which is this issue of existing money  
21 versus new money versus reprioritization of money that's  
22 otherwise being spent somewhere else in the State.

23 That's something that will have to be worked  
24 out between now and when the appropriations committee meets  
25 a year from now or whenever it actually meets to deal with

1 task. I'm impressed.

2 Questions?

3 If not, moving on -- yes, ma'am?

4 MS. MCPEAK: Tom, is there something you  
5 want us to do?

6 Is there something we should do at this point?

7 MR. GRAFF: I am am I'm not the expert.

8 MS. MCPEAK: I don't mean us at BDAC, you  
9 know, I mean organizations or the individuals here.

10 MR. GRAFF: I don't know, maybe we should  
11 at least do the same thing that you had in mind for the  
12 committee report, sort of a sense of the group that this is  
13 a good thing or whatever.

14 I think maybe some consultation with the people  
15 who are actually doing the lobbying back in Washington  
16 would be, you know, maybe a quick expression of support  
17 would be helpful.

18 In fact, I was going to note that one of the  
19 difficulties of how quickly we put together that support  
20 list is that some groups who just didn't have time to get  
21 through their processes have since also endorsed it.

22 I think the League of Women Voters is in that  
23 camp and I'm sure there are others. So, you know,  
24 whatever.

25 CHAIRMAN MADIGAN: Did you want to make a

1 suggestion in that regard?  
 2 MS. MCPEAK: I'll defer to Roger.  
 3 CHAIRMAN MADIGAN: Roger.  
 4 MR. STRELOW: I was just going to move  
 5 that the advisory council authorize our Chairman and  
 6 Vice-Chairman to proceed as appropriate to send a letter or  
 7 letters to appropriate people in Washington based on  
 8 consultation with the front line lobbyists as to who they  
 9 think would most appropriately receive such a communication  
 10 and simply express our endorsement of Federal action very  
 11 comparable to what we've done on the State level.  
 12 CHAIRMAN MADIGAN: small question here,  
 13 Counselor.  
 14 Do you want to take the microphone here for a  
 15 second?  
 16 Recognizing that this is not on our Agenda  
 17 today, this is a matter of some urgency. In order for it  
 18 to be successful this year it will have been dealt with one  
 19 way or another before the next meeting of this  
 20 organization, are there rules as there are in local  
 21 Government for permitting some sort of consideration under  
 22 extraordinary circumstances such as those for an issue such  
 23 as this?  
 24 MS. SCOONOVER: Under the circumstances  
 25 it's my opinion that there is not.

1 within the Department of the Interior has raised some  
 2 concerns about taking action on Federal legislation, and I  
 3 think it would be, therefore, at this point inappropriate  
 4 without further consultation to recommend such an action.  
 5 MS. MCPEAK: Okay. I appreciate that.  
 6 And actually when I was asking the question to  
 7 Tom, I was thinking of us individually because of the  
 8 constraint you have just raised.  
 9 CHAIRMAN MADIGAN: Tom, individually, I  
 10 think you did a hell of a job. I'm for it and if you want  
 11 me to write a letter to somebody, let me know.  
 12 Judith.  
 13 MS. REDMOND: I just have a question for  
 14 Tom.  
 15 The progress that we've make here at BDAC and  
 16 CalFed, still there is these three different solutions,  
 17 they are very different in nature.  
 18 The wording of the legislation that was in our  
 19 packet and that I've seen is still very vague.  
 20 I'm just curious if there was any -- I'm  
 21 concerned that if we are talking about large amounts of  
 22 money being appropriated that there would be promises given  
 23 to one group or another and agreements made that we might  
 24 not know about.  
 25 And I guess I have reservations in terms of

1 CHAIRMAN MADIGAN: We are powerless.  
 2 MS. SCOONOVER: I think you are powerless  
 3 to take an official action that has not been noticed on an  
 4 issue of as great of significant as this.  
 5 You are certainly entitled to voice your  
 6 opinion to Tom or whomever else is in touch with the powers  
 7 that be or to individually as representatives of your own  
 8 organization take appropriate actions.  
 9 But it would be my advice not to take any  
 10 official action on this issue because it was not --  
 11 CHAIRMAN MADIGAN: Okay.  
 12 MS. SCOONOVER: -- on the Agenda.  
 13 CHAIRMAN MADIGAN: Sunne.  
 14 MS. MCPEAK: Is it possible for Mike, as  
 15 our Chair, or Mike and me together to write saying "This  
 16 was reported. We had a discussion. There was great  
 17 enthusiasm, no action was taken but we applaud the  
 18 progress"?  
 19 CHAIRMAN MADIGAN: But that we personally  
 20 though it was really keen and gosh, everybody we talked to,  
 21 you know.  
 22 MS. SCOONOVER: You all are a handful  
 23 today.  
 24 I think there is one other concern that ought  
 25 to be raised, and, that is, that the solicitor's office,

1 suggesting, you know, really endorsing the whole thing  
 2 because not -- I know that there was a group of people that  
 3 went to lobby in Washington.  
 4 They actually, I think, came to representatives  
 5 from that group went to, say, some coalition organizations  
 6 and said, you know, "What do you think we should lobby for  
 7 in Washington", and I'm just curious about the nature of  
 8 those discussions and concerned that there might be  
 9 promises or deals being made that we might not know about.  
 10 MR. GRAFF: well, I wasn't in the room but  
 11 as far as I know, there are no sort of side deals or  
 12 whatever that have been -- that have even been discussed,  
 13 much less agreed to.  
 14 I think there are some important distinctions  
 15 here.  
 16 What's agreed to are two categories of funding,  
 17 category three which we've known about for a long time and  
 18 which could be funded on a -- you know, today.  
 19 I mean, this is a commitment that was made by  
 20 CalFed and the groups who would help negotiate the  
 21 Bay-Delta Accord saying there is going to be immediate  
 22 money for projects other than water, for flow standards  
 23 that would help meet the immediate crisis objectives of the  
 24 Bay-Delta. That's one category.  
 25 The other category is funding for the ecosystem

1 restoration elements of what the CalFed process is  
 2 producing or will produce.  
 3 That's essentially how Prop 204 itself is  
 4 written and this merely provides the Federal share of that.  
 5 Both, presumably, certainly the State share, is  
 6 also contingent not just on the cost-sharing arrangement  
 7 and the Federal money but on a final EIS and EIR being  
 8 certified by the Federal and State governments respectively  
 9 and then for the State money on essentially an ongoing  
 10 certification by the resources secretary that progress is  
 11 being made overall on all elements or all appropriate  
 12 elements of the program that's in that EIS and EIR.  
 13 Lester, if I am misspeaking in any way, you  
 14 should correct me.  
 15 So in terms of projects that may be favored or  
 16 disfavored by many among us, to some extent we are all sort  
 17 of making these -- this funding contingent on the product  
 18 of the CalFed process and BDAC.  
 19 CHAIRMAN MADIGAN: I'm sorry, Roger, I  
 20 missed your hand earlier. Did you want to --  
 21 MR. STRELOW: No.  
 22 CHAIRMAN MADIGAN: Oh, okay. All right.  
 23 MR. GRAFF: Is that a good enough answer,  
 24 Judith?  
 25 CHAIRMAN MADIGAN: Roberta.

1 the Federal languages works, that new institution then  
 2 would take over this activity, but all of that is held in  
 3 abeyance until we have finished our work.  
 4 CHAIRMAN MADIGAN: All right.  
 5 Thank you.  
 6 Yeah, Tom?  
 7 MR. GRAFF: I do have a copy. It's only  
 8 three pages.  
 9 Do we have access to a copy machine?  
 10 MS. MCPEAK: It was in our packet.  
 11 MR. GRAFF: Oh, it is in the packet. I  
 12 got it.  
 13 Sorry.  
 14 CHAIRMAN MADIGAN: Mary.  
 15 MS. SELKIRK: Randy from East Bay Mud was  
 16 one of the very active people involved in negotiating this  
 17 Bill.  
 18 He should be back later today so if any BDAC  
 19 members have a question about who, what, where, he  
 20 certainly can answer it.  
 21 CHAIRMAN MADIGAN: All right, Mary. Thank  
 22 you.  
 23 All right.  
 24 Moving on, water use efficiency component.  
 25 Judith, you and Rick are on.

1 MS. BORGONOVO: There was a question  
 2 yesterday in the financing group about the way in which it  
 3 would be expended and my understanding was the way in which  
 4 the Bill is written it is given over to the CalFed process,  
 5 though, to oversee the expenditures of the funds should  
 6 they come in and to a certain extent I had assumed that  
 7 that is linked into the ecosystem round-table and it would  
 8 be part of that process.  
 9 CHAIRMAN MADIGAN: Lester.  
 10 EXECUTIVE DIRECTOR SNOW: Both Prop 204  
 11 and this Federal legislation contains language referring to  
 12 the monies being spent consistent with the CalFed Bay-Delta  
 13 Program process, which -- and the ultimate recommendation,  
 14 and so the way that language works is that in the interim  
 15 as we are setting up an ecosystem restoration coordination  
 16 effort, which the ecosystem round-table will be a part of,  
 17 we are attempting to have a process that helps set  
 18 priorities annually for the distribution of State and  
 19 Federal monies for restoration purposes.  
 20 These monies, when they are available, would be  
 21 made available through that process consistent with that.  
 22 If, to relate back to an earlier conversation  
 23 on assurances and institutions, if in our final document we  
 24 recommend creation of an institution for the purpose of  
 25 ecosystem restoration, then the way 204 works and the way

1 MR. SOEHREN: We've covered a lot of this  
 2 material this morning in the general presentation that  
 3 Lester gave and in some of the discussions about issues so  
 4 I think I can move through some of this very quickly.  
 5 I'd like to take just a few minutes to describe  
 6 the water use efficiency component of the CalFed Program  
 7 and how it fits into the overall program and then Judith  
 8 will describe in more detail some of the policy guidance  
 9 that we are getting from the water use efficiency work  
 10 group and some of the issues that are being raised there.  
 11 This timeline shows some of the activities that  
 12 we'll be undertaking in the program and in the work group  
 13 through next summer, and in subsequent overheads I'd like  
 14 to go over each of these numbered arrows on the timeline in  
 15 a little more detail.  
 16 The first thing we've had to do is develop a  
 17 vision for water use efficiency, and that was really fairly  
 18 simple because one of the most common concerns we heard  
 19 raised, one of the most common comments we heard during  
 20 scoping, was that people from one end of the State to the  
 21 other wanted to make sure that we're making efficient use  
 22 of our existing water supplies before we developed any new  
 23 supplies.  
 24 So making efficient use of what we've got is  
 25 kind of the guiding principle for this group.

1 Next we went about defining categories that  
 2 would be considered in a water use efficiency component of  
 3 the CalFed Program and that would be considered in a water  
 4 use efficiency work group.  
 5 We have discussed those in this forum before,  
 6 urban water conservation, agricultural water use  
 7 efficiency, water recycling and one that was added in the  
 8 discussions at the work group, efficient use of  
 9 environmental diversions.  
 10 The activities that the work group is involved  
 11 in now is developing approaches for each of these four  
 12 areas that we can follow.  
 13 The first step has been to define objectives  
 14 for each category.  
 15 These are a continuation of the objectives  
 16 developed early on in the program.  
 17 They are very specific to what we want to  
 18 accomplish, how we should be guided in looking at urban  
 19 water conservation or ag water use efficiency.  
 20 And Judith will go into the specifics of some  
 21 of those objectives in a few minutes.  
 22 Next, CalFed staff has identified the universe  
 23 of possible tools for each area.  
 24 We've done this for urban conservation. We've  
 25 done this for ag water use efficiency.

1 these areas, then we can incorporate them into the water  
 2 use efficiency common program.  
 3 As a work group, having dealt with a lot of the  
 4 issues involved in these perhaps we can identify some  
 5 assurance and institutional needs that we can pass on to  
 6 the assurances work group.  
 7 And finally, at the CalFed staff level and with  
 8 consultants we will translate the qualitative approaches  
 9 for water use efficiency into quantitative estimates for  
 10 impact analysis.  
 11 Component refinement is going to be an  
 12 iterative process. We have to keep in mind that water use  
 13 efficiency is just one small part of the total water supply  
 14 reliability effort of the CalFed Program; conveyance and  
 15 storage could be very important parts as well.  
 16 When we take a look at water use efficiency and  
 17 then when we look at what might be available as far as new  
 18 supplies through new storage, conveyance, the costs of  
 19 those, we'll iteratively do an analysis to see whether  
 20 perhaps even more water conservation will be cost effective  
 21 or perhaps new supplies make the approach that we have  
 22 developed in the work group appropriate to stay with.  
 23 That's the process in a nutshell that the  
 24 program will be going through on water use efficiency.  
 25 There is a lot of detail as far as policy

1 Just to array before us for discussion all of  
 2 the actions, all of the types of programs that might be  
 3 available to us to meet the objectives.  
 4 Next, we'll select tools for inclusion in a  
 5 draft approach for each of the areas based on policy  
 6 guidance from the work group, technical information, and so  
 7 forth.  
 8 We are just in the process of this now and we  
 9 are getting some very useful input on that from other  
 10 organizations, CUWA, California Urban Water Agencies and  
 11 the environmental caucus have been meeting to try and  
 12 develop their own suggestion on an appropriate approach for  
 13 urban water conservation.  
 14 I understand a similar effort may be taking  
 15 place on the ag side soon as well.  
 16 When we have approaches for each of these  
 17 areas, we can then run those back through our objectives as  
 18 a test to see if we are meeting our objectives, and,  
 19 finally, when we have draft approaches for the areas, we'll  
 20 move forward with a Workshop.  
 21 I wish I could schedule that now but I am  
 22 reluctant to schedule a date for Workshop until we are a  
 23 little closer in having approaches for urban conservation  
 24 and ag efficiency at least.  
 25 When we have approaches agreed upon for each of

1 guidance and issues and maybe I'll pass this over to Judith  
 2 now unless you have another one? Okay.  
 3 MS. REDMOND: Well, thank you very much,  
 4 Rick, and Chairman Madigan.  
 5 I'm just going to try and describe our results  
 6 a little more in detail.  
 7 There were two -- in your packet there was some  
 8 information.  
 9 There is a number of BDAC members that have  
 10 been coming to these meetings.  
 11 There has been four to date and also a lot of  
 12 invited participants and hopefully there will be a chance  
 13 for some of you to add on if you wish.  
 14 In your packet there were two important papers.  
 15 One of them described the objectives and tools  
 16 that we have been developing for urban water conservation  
 17 and the other one described those for agricultural water  
 18 conservation.  
 19 These are both drafts. They are works in  
 20 progress.  
 21 In the packet they didn't say draft on them.  
 22 That was our mistake and we apologize for that.  
 23 They are still very much works in progress  
 24 because we are going to continue to discuss the ideas in  
 25 them, bring in new tools, probably discard others, talk

1 about some things that need to be emphasized, others that  
2 should be de-emphasized, and through that process come up  
3 with sort of a strategy or an approach that can be  
4 incorporated into the common program for water use  
5 efficiency.

6 So, as Rick described, in each of that we have  
7 so far talked about agriculture and urban and in each of  
8 our discussions we first came up with a set of objectives  
9 and in some cases there were actually objectives that were  
10 the same for both agriculture and for the urban sectors and  
11 I'm going to just go quickly through what those common  
12 objectives were.

13 The first one, in both cases we -- both  
14 agriculture and in urban discussions, we felt that market  
15 mechanism should be the first line of emphasis in an  
16 approach to water use efficiency.

17 Examples of what we mean by market mechanism  
18 would be things like low interest loans, tax credits,  
19 changes in water pricing and water markets, also.

20 So regulatory mechanisms, as we'll describe a  
21 little later, would probably just come into effect if  
22 agencies weren't responding to market forces. That's the  
23 theory that we are using at the moment.

24 The second thing that there is really general  
25 agreement on is that it makes a lot of sense because local

1 agencies, things -- institutional barriers like the lack of  
2 comprehensive water transfer rules, the provisions that  
3 might encourage agricultural users in their contracts to  
4 quote use it or lost it unquote and also especially in  
5 urban areas negative impacts that can happen to an urban  
6 agency's budget when they are very successful in  
7 implementing a water conservation program.

8 Those are disincentives to conservation that we  
9 felt should be removed and that we tried to work on tools  
10 and mechanisms that would help to remove those.

11 And then the final one is that we felt that  
12 there needed to be more help for both urban and  
13 agricultural water agencies in planning their programs,  
14 technical assistance in implementing their programs, and  
15 financial assistance in implementing their programs.

16 So next I'm going just to talk a little bit  
17 about some of the --

18 CHAIRMAN MADIGAN: Did you guys actually  
19 achieve some consensus on those at this point?

20 MS. REDMOND: The common goal -- the  
21 common objectives, yeah, these are -- these, I'd say, we  
22 can certainly open that up, but --

23 CHAIRMAN MADIGAN: No, I'm impressed.  
24 I had not expected that you would be able to  
25 identify those sorts of things this early as being

1 conditions vary a whole lot and people who work in local  
2 settings know the most about what's going on and what will  
3 work and what won't work.

4 We are going to preserve a lot of local  
5 flexibility in implementing water use efficiency programs.

6 Both the agricultural and the urban  
7 memorandum -- memoranda of understanding use this kind of  
8 approach and so we are expecting to incorporate those MOU's  
9 into our approach.

10 Members, as Rick kind of mentioned, members of  
11 the work group pretty much agree across the board that it's  
12 important to ensure strong water use efficiency component  
13 in the Bay-Delta solution.

14 And, in fact, for example, to ensure that that  
15 would be the case members of the work group for both  
16 agriculture and urban sectors were willing to consider and  
17 probably recommend noncompliance fees for agencies that  
18 weren't implementing water use efficiency programs in both  
19 sectors.

20 And, finally, in terms of objectives common to  
21 both urban and agriculture, it was generally agreed that  
22 water agencies -- oh, wait.

23 I'm not on the last one yet -- the one on  
24 disincentives, we identified a number of disincentives to  
25 efficient water use for both urban and agricultural

1 desirable objectives. That's good.

2 MS. REDMOND: Any comments from other  
3 members of the work group?

4 Richard.

5 MR. IZMIRIAN: I can't say that I am  
6 totally agreeing with those objectives.

7 I still have some great reservations about the  
8 idea of emphasizing the market mechanisms over regulation,  
9 and I think the whole notion that these are markets is  
10 somewhat bogus.

11 I know it's a politically popular word but I  
12 don't see that as being a very effective solution.

13 I'm also concerned about the lack of an  
14 objective to leave habitat; that is, water in the stream,  
15 as part of the objectives.

16 If that's not part of the objectives, I don't  
17 know how water use efficiency is part of the Bay-Delta  
18 solution.

19 MS. REDMOND: And I'm going to get to both  
20 of those points in a minute.

21 I also just want to make sure that I don't  
22 indicate that we were going to abandon regulatory  
23 mechanisms completely, that we just felt like the first  
24 line of emphasis would be market line mechanisms.

25 And Richard has brought up the issue of

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1 watering the streams before and I'm going to maybe mention  
 2 that when I get to the major issues that we felt still  
 3 needed to be resolved.  
 4 In terms of objectives that were specific to  
 5 urban -- the urban program, we had a very good presentation  
 6 on the strengths and benefits of the Cal-Urban Water  
 7 Conservation Council and their involvement in implementing  
 8 the urban Memorandum Of Understanding, and because there  
 9 are a lot of elements of the Council's work that are going  
 10 well and that are -- seem to be effective and because the  
 11 Council has an established role in the environmental and  
 12 urban water agency communities, we felt that we would  
 13 probably recommend a strong role and probably an expanded  
 14 role for the Council in our program.  
 15 So sort of following from that, although the  
 16 urban MOU is working well in some cases, there are some  
 17 signatories that haven't completely implemented the MOU and  
 18 there are other agencies that haven't even signed on to it.  
 19 So it was agreed by all of us that there was a  
 20 need to establish a high floor level of conservation  
 21 implementation, and we've talked about ways to do that, as  
 22 well as ways to achieve a higher level of implementation  
 23 and participation across the board by more agencies.  
 24 We talked a little bit about one specific  
 25 element of the MOU or of the best management practices that

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1 have been developed and that was landscaped water  
 2 conservation.  
 3 We felt that there might be opportunities for  
 4 more water conservation in urban areas and that particular  
 5 BMP and that was just a specific objective that we did talk  
 6 about and felt needed to be reviewed.  
 7 And then we had a very interesting discussion  
 8 about what I think amounts to the need to develop some sort  
 9 of a conservation ethic in water agencies that would be  
 10 from -- at every level of staff, from all the way up to  
 11 management and leadership within urban agencies and that  
 12 would last beyond a drought and that would be sort of  
 13 continuous, and we felt that this might be part of the  
 14 expanded role of the Council in their technical and  
 15 planning assistance was to help develop that kind of an  
 16 understanding of why conservation actually can be  
 17 beneficial to urban agencies.  
 18 And in retrospect I think it's possible that if  
 19 we had talked about it, although we didn't, in the  
 20 agricultural discussion, we might have ended up putting  
 21 this as a common objective in both agriculture and urban to  
 22 talk about that ethic and get buy in from all the agencies.  
 23 The discussions with the urban folks really  
 24 gave us an understanding that there is not always complete  
 25 understanding of the benefits of conservation to urban

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1 agencies even among the leadership of those agencies.  
 2 So -- I don't know if you want to stop there  
 3 again, Mike, or just go on.  
 4 CHAIRMAN MADIGAN: No, go ahead.  
 5 Keep it rolling.  
 6 MS. REDMOND: Keep it rolling, okay.  
 7 We will go on here and talk about some of the  
 8 objectives for agriculture that we talked about and tried  
 9 to develop tools for implementation of these objectives.  
 10 Again, sort of analogous to the urban we felt  
 11 that it made sense to build on the progress and  
 12 achievements of the agricultural MOU.  
 13 That MOU describes sort of a planning and  
 14 analysis and implementation process that we are going to  
 15 build on or we expect to recommend the building upon of in  
 16 the agricultural program.  
 17 Another objective of the agricultural program  
 18 we think is to provide adequate assurances that  
 19 agricultural water supplies are being used efficiently and  
 20 so in order to make sure that this was the case the group  
 21 is considering recommending conditions on water rights  
 22 permits or potentially changes in CVP and State water  
 23 project contracts that would require completion of  
 24 conservation programs.  
 25 The group also felt that participation in water

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1 market should be conditioned in ways that would encourage  
 2 water use efficiencies so we took seriously the idea that  
 3 we wanted to make assurances that agriculture was  
 4 cooperating in this effort.  
 5 I'm going to talk a little bit later about the  
 6 definition that we adopted for agricultural water use  
 7 efficiency, but one of the objectives that we agreed upon  
 8 was to improve water management in agriculture that would  
 9 achieve multiple benefits for, you know, water quality,  
 10 water supply and the environment.  
 11 And, finally, here we also had an interesting  
 12 discussion about doing an analysis that goes beyond just  
 13 water district by water district discussions, and starting  
 14 to look at the discussion from basinwide or watershedwide  
 15 lands.  
 16 There are a number ways in which we felt this  
 17 could be very helpful but, for example, it could be helpful  
 18 in analyzing the appropriateness of water markets. I think  
 19 that was one thing that people had in mind.  
 20 So those were our objectives and I'm going to  
 21 go on and just talk about some of the major issues that did  
 22 come up in our discussions.  
 23 In the packet what we have are a set of tools  
 24 that we are discussing that would hopefully be effective in  
 25 reaching each of those objectives so each of those

1 objectives we are hoping would be paired up with a set of  
2 tools for implementation.

3 But what I first wanted to -- there was a lot  
4 of agreement.

5 There were those common objectives, things that  
6 we agreed upon, and I think that in the course of our  
7 discussions it became obvious that there were some areas of  
8 difference between the agricultural and the urban approach,  
9 and strategy that BDAC members should know about and that  
10 should be made explicit and clear to BDAC members and  
11 CalFed.

12 And one of the strengths of the  
13 California-Urban Water Conservation Council that was stated  
14 by all of the participants was that it was very beneficial  
15 in providing a forum for discussion between urban water  
16 agency personnel and the environmental community, and it  
17 sort of was clear from the nature of those discussions that  
18 there was a common language and common goals and an ability  
19 to communicate and the Council was a forum for that.

20 And, on the other hand, it seemed to me that in  
21 the discussions on agriculture that kind of common language  
22 really wasn't there, and that the common goals and an  
23 understanding of the different needs and expectations of  
24 the different groups is really just starting to emerge and  
25 as one of the BDAC members said and who is also a work

1 A few of them are listed here, a few examples  
2 of it.

3 You know, things that would fit within that  
4 definition are getting increased agricultural production  
5 from a unit of water; protecting water quality to benefit  
6 the fisheries as well as other users; increasing  
7 environmental benefits from water -- improved water  
8 management, reducing water diversions to ag, perhaps, you  
9 know, during critically dry periods, maximizing the reuse  
10 of water supplies, improving the timing of diversions  
11 hopefully to benefit the fisheries, et cetera, and then  
12 increasing multi-year water management efforts, for  
13 example, conjunctive use.

14 I'm going to go on and just talk about a few  
15 other issues, some of which were discussed explicitly,  
16 others which kind of bubbled up and were never really on  
17 the Agenda. That kind of thing happens sometimes.

18 The first one is is this issue of land  
19 retirement.

20 I almost feel like it was -- again came up  
21 here. It's come up at BDAC meetings. It's comes up at  
22 the work group fairly regularly and so it's probably  
23 familiar to most of us by now.

24 The sort of agreement that I think staff have  
25 come to on this issue is that it's not going to be

1 group participant building trust between those two  
2 communities is probably the first order of business and  
3 it's very important that we try to continue to do that  
4 because I don't think there is a lot of people around who  
5 speak both languages and I think that it's really important  
6 that we learn how to do that.

7 So the first difference in terms of the  
8 approach that we are using for urban and the approach that  
9 we are using for agriculture is pretty basic. It's the  
10 difference in definition.

11 The urban approach focuses on conservation and  
12 recycling with, I think, the expectation, people can  
13 correct me if I'm wrong, that there is going to be  
14 increasing population growth in urban areas and that  
15 conservation and recycling might be able to provide some of  
16 the water that's needed for those urban areas.

17 Well, the agricultural approach is a little  
18 more broadly defined in terms of trying to find the  
19 greatest benefit that we can from any unit of water that's  
20 delivered to agriculture and the benefits could be to  
21 multiple resource areas; water quality, the environment,  
22 water supply, et cetera.

23 So I think there are a number ways in which we  
24 can find benefit to the CalFed process from this  
25 definition.

1 discussed as a water use efficiency measure.

2 And I'm not sure that there isn't a need for  
3 some full BDAC discussion about this question, but we  
4 haven't put it on the Agenda at a water use efficiency  
5 meeting.

6 Another issue that really did bubble up  
7 continuously throughout our discussions was -- but was  
8 never really explicitly discussed and so we are just here  
9 trying to sort of summarize what we think the sense of the  
10 group was, is that we never -- and Richard actually  
11 referred to this a minute ago -- we never really discussed  
12 what the intended use for conserved water was going to be,  
13 where it was going to go, how it was going to get used.

14 There were a lot -- people come to this process  
15 with a lot of different ideas about the answer to that  
16 question, the conserved water should go into streams, as  
17 Richard has said for environmental restoration.

18 Other people feel that if urban and water  
19 agencies put resources and money and time into a water  
20 conservation program perhaps the benefits of that program  
21 should accrue to that particular area and they should get  
22 to determine how that water is used.

23 Well, what I think we've tried to do in the  
24 working group is actually start from step one, which is  
25 let's figure out how to assure that water use is as

1 efficient as it possibly can be and leave aside this  
 2 question of how that conserved water is going to be used  
 3 and that may not be a totally satisfactory answer to  
 4 everybody but it seemed to us that that was the way to make  
 5 the most progress, was to not address head-on that question  
 6 of how the water was going to be used but to simply try to  
 7 assure the most efficient use possible.

8 I think I've already mentioned this one about  
 9 local flexibility.

10 It did seem to me that there was -- it was of  
 11 key importance and that there was general agreement on it.

12 Within the framework of providing local  
 13 flexibility we understood that it was important to ensure  
 14 equitability across all agencies to make sure that they  
 15 were implementing, for example, their MOU's or that there  
 16 was a uniform analysis of the cost effectiveness of MOU's  
 17 but we still felt that the basic approach should emphasize  
 18 local flexibility.

19 The next one -- I think that we are likely to  
 20 recommend an approach that is a combination of volunteer  
 21 and regulatory measures.

22 It's pretty clear from the urban MOU experience  
 23 that a volunteer approach doesn't work in all cases but  
 24 that it can be, you know, a very useful way to start, and  
 25 so I think that some blending of voluntary and regulatory

1 impacts from water markets.

2 There are concerns that water markets really  
 3 are not equitable in their distribution of benefits, and I  
 4 think the way that the work group has been framing it is  
 5 that water markets would be an incentive for efficiency.

6 I think there are members of the work group who  
 7 don't really feel it's appropriate to have water transfers  
 8 under this rubric of water use efficiency, but that, in  
 9 fact, transfers are simply a reallocation of water from one  
 10 sector to the other so it's pretty clear that we will  
 11 recommend when we do recommend our approaches, some sort of  
 12 process for evaluating the potential impacts of a proposed  
 13 transfer.

14 We think that it's going to be important to  
 15 look at those transfers and figure out what kinds of  
 16 impacts they might have and have some process for approving  
 17 or disapproving of ones that, you know, might or might not  
 18 have various kinds of impacts.

19 And we've also come up with a number of tools  
 20 or approaches that we think might address the concerns that  
 21 people have about water transfers.

22 One of the tools that's being discussed is the  
 23 development of transfer taxes to provide funding directly  
 24 to impacted economies.

25 We've also discussed the need to make

1 measures is probably desirable, and it's the challenge for  
 2 the work group, I think, to include enough but not too  
 3 many, enough backup sanctions to our voluntary measures so  
 4 that we achieve the desired efficiency goals.

5 And then Rick mentioned this idea of some sort  
 6 of environmental water use efficiency guidelines. That's  
 7 come up at the -- it came up at the full BDAC Meeting and  
 8 it came up again at the water use efficiency work group.

9 We are not exactly sure how to approach it but  
 10 it has been an issue that's come up and that people feel  
 11 guidance is needed for refuge managers and so forth.

12 The final issue that has come up and has been  
 13 discussed at many of the work group meetings is the issue  
 14 of water transfers and how they would be managed.

15 And the approach that it seems to be developing  
 16 for agriculture could, I think, rely heavily on water  
 17 markets and water transfers because it's believed by some  
 18 of the folks here that the water market will be -- if there  
 19 is an open water market, it will provide incentives for  
 20 increased efficiency in agriculture.

21 Now, there are a lot of concerns that people  
 22 have about a water market or water transfers and I think  
 23 folks here are probably familiar with some of them.

24 There is potential environmental impacts from  
 25 water transfers. There is potential economic and social

1 distinctions between in-basin and out of basin transfers  
 2 and there has been a discussion about environmental  
 3 safeguards that might need to be used and the issue of  
 4 ground water has come up several times.

5 If you look at the packet you'll find that five  
 6 out of the 16 tools that are being considered have to do  
 7 with water transfers and water markets in agriculture.

8 I'm just going to list those tools for people  
 9 who might not have been able to look through the packet  
 10 yet.

11 Number one, tool number one, suggests a uniform  
 12 and comprehensive set of rules for water transfers.

13 Tool number two provides -- or it would, if it  
 14 were recommended -- provide assurances that the right to  
 15 transferred water is not lost to the underlying water  
 16 supply contract.

17 Number three would require that agencies  
 18 wishing to buy water through transfers would be subject to  
 19 certain conditions prior to approval of the transfer.

20 Number four proposes a structured water  
 21 transfer tax.

22 As I mentioned, that would be paid to local,  
 23 county or governing bodies that would mitigate for any  
 24 socioeconomic impacts.

25 And number five would place conditions upon

1 agencies wishing to participate in the State's drought  
 2 water bank.  
 3 That concludes my specific comments on the work  
 4 that we've done.  
 5 I wanted to, first of all, thank the BDAC  
 6 staff. It's been really a pleasure to be chairing this  
 7 work group.  
 8 I want to especially really thank Rick a  
 9 great -- a whole lot.  
 10 He is really a tremendous person to work with.  
 11 He is very, very careful and extremely honest in all of the  
 12 work that he does to make sure that he's representing  
 13 everybody that needs to be represented and also very, very  
 14 hard working.  
 15 So I've really enjoyed working with Rick, and I  
 16 want to thank the BDAC members and the invited participants  
 17 who have put in all of the work that they have on this work  
 18 group.  
 19 I think if you do get a chance to read the two  
 20 papers, we've made a lot of progress.  
 21 It's been a very, very productive four meetings  
 22 and I feel like we are very likely to be able to come up  
 23 with some very workable proposals that could be given to  
 24 CalFed.  
 25 CHAIRMAN MADIGAN: I am really impressed.

1 water use efficiency, is directed at things that can be  
 2 done by water suppliers.  
 3 Those are the water districts, water agencies  
 4 that provide the water, in an effort to pass on to water  
 5 users things that they can do.  
 6 And then there -- the things taken at that  
 7 level as well as a number of items that take place in the  
 8 Bureau of Reclamation, CVP water, better water management  
 9 programs, are directed at what the district can do as well  
 10 as what the people in the field can do.  
 11 Now, when you come to the program that is set  
 12 forth here, and I'm looking at the -- in the material  
 13 handed out, water use efficiency work group status report,  
 14 and there is a page 5 with a table connected to that which  
 15 lists all of the tools, and when I look at the tools, I  
 16 find, and Judith was just reciting those at the end, that  
 17 most of those are pointed towards water transfers, water  
 18 rights, water transfer taxes, bonding, water rights,  
 19 conditions again, legislative changes.  
 20 These are items that can only be done at the  
 21 State level by administrative organizations.  
 22 They have absolutely nothing to do with  
 23 agricultural water use in an on farm or within a district.  
 24 These are items that are Governmentally  
 25 imposed, and as set forth they are to take care of the

1 You guys have had some really interesting conversations  
 2 pretty early in the program, good for you. That's good  
 3 stuff.  
 4 Stu -- who is it -- Stu.  
 5 MR. PYLE: Yeah. I think my job is to  
 6 take the rose off of this one.  
 7 I have some serious concerns and objections  
 8 that have -- about the activities of this program as  
 9 written down on paper here (indicating).  
 10 I think what was presented here sounds pretty  
 11 good and there is a lot of it we can agree with from an  
 12 agricultural point of view but there is also a lot of it  
 13 that we certainly can't agree with, and I'm not going into  
 14 all of those details, but I want to go into the major one,  
 15 which I prepared a letter and sent it to Lester expressing  
 16 my concern and expressing a method by which I thought that  
 17 he could take care of the major problem that I see, and the  
 18 major problem that I see is that you have formed a work  
 19 group for the purpose of establishing a program for water  
 20 use efficiency directed towards urban and directed towards  
 21 agricultural water efficiency.  
 22 I've been working in that field for years.  
 23 I've been through the AB 3616 program from its  
 24 inception, and all of the programs that have preceded that.  
 25 And in that program the water use, agricultural

1 desires, to see the result of less water used in  
 2 agriculture as made available for water transfers and  
 3 methods by which water transfers can be used.  
 4 And I say that's a completely separate subject  
 5 from agricultural water use efficiency.  
 6 And what I propose in my letter to Lester is  
 7 that this total program should -- an assignment of this  
 8 work group should be broken into two items.  
 9 They should take water use efficiency as the  
 10 items which are related to the urban VMP, MOU and the  
 11 proposed AB 3616 activity and methods of implementing those  
 12 and include those in a water use efficiency program.  
 13 Then the other items that you are talking about  
 14 in terms of water transfers, conjunctive use and so forth  
 15 are really related to a statewide water management  
 16 function, and you should separate those out and you should  
 17 have a major effort in CalFed directed at how do you  
 18 improve overall statewide water management that includes  
 19 water transfers, water banking, whatever else you are going  
 20 to do.  
 21 So I just think that this program is trying to  
 22 include too much under the guise of agricultural water use  
 23 efficiency, and I can tell you that if I take this  
 24 information home and try to explain it to people who are in  
 25 agricultural water districts, I will get no support. I'll

1 get complete rejection.

2 I can tell you at this point there is not an  
3 awful lot of enthusiasm in the agricultural water districts  
4 for the AB 3616 type of program because districts think  
5 they are doing a good job in water use and they see it as  
6 an additional costs and as a number of other things, and I  
7 think there is going to have to be a lot more care taken in  
8 trying to develop a good agricultural water management  
9 program that will get the support of agricultural districts  
10 statewide, and by what we have here I think that is  
11 complicating and obfuscating the intent of the program and  
12 I really think you should look, Lester, at somehow trying  
13 to develop a statewide water management program which  
14 handles transfers and everything that goes with it and  
15 completely separate that away from agricultural water use  
16 efficiency.

17 There just is no connection, and I know I'm  
18 kind of rambling on but I've got the floor.

19 I want to say one more thing about the  
20 relationship of water use efficiency in agriculture and  
21 water transfers.

22 Kern County Water Agency uses a lot of water.

23 In an average year we probably use  
24 two-and-a-half million to three million acre feet of water  
25 down there.

1 time but that matter of increasing our efficiency, which we  
2 can document, did not put any water on the table. That was  
3 then available for sending off to any other place.

4 We were still water short so that's my  
5 statement, but my main point is that I think there needs to  
6 be some reworking of the assignment to the water use  
7 efficiency work group.

8 CHAIRMAN MADIGAN: Let's start with Judith  
9 and see if there is any response that you'd like to make  
10 right now.

11 I did want to call on you and then I have a  
12 couple of thoughts of my own.

13 MS. REDMOND: I guess it's just important  
14 to make sure that it's not a semantics question. That if  
15 we had been calling it improved water management would that  
16 have made it easier to have these discussions?

17 Because there needs to be a discussion about  
18 these issues.

19 I don't think there is disagreement on that  
20 question, and the term water use efficiency has been  
21 problematic from the very beginning and so I'd like -- I  
22 would just like to make sure that we are not just talking  
23 semantics here, that if we call this program one of  
24 improved water management in agriculture, would that -- and  
25 then we looked at these issues of water transfers and so

1 There was a study by the University of  
2 California in 1974 which reviewed the water use  
3 efficiencies of all of the water districts in Kern County  
4 and determined that the average efficiency of all of those  
5 districts combined was in the order of 65 percent.

6 We were involved in the State Board hearings in  
7 the 1980's and we prepared a study to cover that period,  
8 from 1974 to 1986 when the hearings were where we  
9 re-surveyed those experiences of water use efficiencies and  
10 we utilized University of California experts in watching  
11 our results and certifying when they came through, and we  
12 determined over that ten year, 11 year period we had a  
13 change in water use efficiency from 65 up to about 72.

14 We'd increased the water efficiency in that  
15 county by seven percent.

16 So if you apply that seven percent times the  
17 area that was irrigated in 1986, that accounts for an  
18 ostensible saving of about 200,000 acre feet of water per  
19 year.

20 Nevertheless, in our experience in Kern County  
21 Water Agency and combined with all of the other districts,  
22 there was no evidence that our orders for water had  
23 decreased by 200,000 acre feet per year.

24 There was perhaps some evidence that our  
25 groundwater overdraft was less than it had been in previous

1 forth, would that perhaps make it easier?

2 The question about new water and so forth has  
3 been discussed several times in the work group and I think  
4 we might have come to terms with the fact that that's  
5 not -- I don't think that there is consensus on that, but  
6 there has been a discussion about it and some understanding  
7 of the fact that in agriculture that's not really what we  
8 are looking for.

9 MR. PYLE: I can answer that and tell you  
10 what would make me happy.

11 You have on this table that I referred to on  
12 page 5 of the tools and it says urban sector and  
13 agricultural sector.

14 Under agricultural sector it says comprehensive  
15 water transfer rules, water rights, assurances, checkmark  
16 under agricultural section; conditions for transfer of  
17 marketed water, checkmark under agricultural section.

18 I would be happy if you will remove all of  
19 those checkmarks from the agricultural sector except those  
20 that apply to water management planning, conservation,  
21 certification process, technical and planning assistance,  
22 surface water pricing, et cetera, et cetera.

23 There are some which apply strictly to things  
24 that agricultural districts, water suppliers and water  
25 users can do, which should be there, and the rest of these

1 checkmarks should be moved over under a statewide water  
 2 management plan.

3 My objection is that you are trying to assign  
 4 to agricultural water users a lot of things that they  
 5 certainly can't do and it's just not within their scope.

6 EXECUTIVE DIRECTOR SNOW: Yeah, I was just  
 7 looking at what Stu's last comment, perhaps, if I  
 8 understand Stu, part of the issue is that -- maybe you'll  
 9 still disagree -- some things are being mixed together, but  
 10 if there's issues related to transfers in water use  
 11 efficiency, it's to both the urban and agricultural sector,  
 12 not just one.

13 MR. PYLE: And some of them do not apply  
 14 to the agricultural sector because what impact or  
 15 initiative does agricultural sector have over water rights  
 16 assurances?

17 That's not -- or legislative changes to State  
 18 Water Code -- whoops, it didn't get checked there but --

19 EXECUTIVE DIRECTOR SNOW: well, I think  
 20 the reason -- I want to get back and address your first  
 21 issue, but we can relook at this table a little bit in a  
 22 sense but the reason the water rights assurances would show  
 23 up here is we have run into the problem in the State of  
 24 California here where people have expressed concern that by  
 25 conserving water and, you know, doing something else with

1 And so I think in order to have an effective  
 2 program we have to be identifying the kinds of market  
 3 incentives and economic incentives that make it a  
 4 meaningful venture for somebody to enter into that.

5 I would add, I think it applies to both urban  
 6 and agriculture. It's not just isolated to agriculture.  
 7 The same thing happens in Jack's service area.

8 They don't do the things to make themselves  
 9 feel good. They do them because they end up being quite  
 10 cost effective in comparison to the other things going on.

11 So maybe with some of that kind of adjustment  
 12 and clarification we can fix this issue. But I'm not sure  
 13 how strongly you believe that we need to split them.

14 MR. PYLE: I feel really strongly about  
 15 this because I think you need to isolate those actions  
 16 which are applicable to the agricultural sector that it can  
 17 actually deal with and be involved with.

18 You have just -- and I think you really need to  
 19 identify those statewide water management aspects that are  
 20 involved here of things that are done at a separate  
 21 statewide level which are different from what is going to  
 22 be done in the farm area in terms of water efficiency.

23 CHAIRMAN MADIGAN: Right.

24 MR. PYLE: Because you are not talking  
 25 about the same thing that I'm talking about, water

1 it they may, in fact, end up forfeiting some of their water  
 2 rights and so that's been a big problem and there has  
 3 already been legislation that moves to try to fix that  
 4 problem so that it's not a use it or lose it situation, but  
 5 I think those are recurrent issues.

6 But if I could back up and address kind of the  
 7 fundamental issue that you've raised about splitting these  
 8 things apart, and maybe it's an issue that Judith raised  
 9 where you are not using some of the right terms, but I  
 10 would be resistant to splitting from an efficiency  
 11 discussion these broader issues because what I think our  
 12 experience has been, first, in the electric industry and  
 13 then in the water industry, is that focusing on  
 14 conservation as a stand alone type of issue has failed,  
 15 first in the electric industry and then they moved to  
 16 something called integrated resources planning where they  
 17 get all of the issues on the table and not isolate and now  
 18 that's what's happening in the water industry.

19 And so I think in order to deal effectively  
 20 with improved water management or increased water use  
 21 efficiency, we have to look at the -- kind of the overlying  
 22 tools, why would somebody do this and that immediately gets  
 23 you into the market incentives issues.

24 Nobody implements conservation measures just  
 25 for the sake of it.

1 efficiency.

2 When I talk about water efficiency, I'm talking  
 3 about you deliver a hundred acre feet of water to a farm, a  
 4 certain amount is used in crop production, a certain amount  
 5 goes someplace else, and that's the real term of  
 6 efficiency.

7 Now, you're talking in terms of an overall  
 8 water management from a statewide aspect and I think you  
 9 have to make that clear or you are going to blow the whole  
 10 water efficiency thing in an agricultural area out of the  
 11 water -- field or whatever.

12 EXECUTIVE DIRECTOR SNOW: Let me just make  
 13 one more comment along that line. I think the split that  
 14 we are talking about, who should be doing what, is  
 15 something that happened subsequently in our program when we  
 16 get to implementation, but as we're trying to grapple with  
 17 the issue of water use efficiency we need to look at it in  
 18 terms of the water that comes out of the Bay-Delta system.  
 19 How do we make sure it gets used efficiently?

20 And so that doesn't just apply to an individual  
 21 farmer and what they can do but it really looks at what are  
 22 the kinds of the systems and incentives we can have in  
 23 place to make sure that efficient water use results when  
 24 that diversion takes place.

25 So I think we have to look at it as a package

1 and then at some point you do break out and say "Here is  
2 what we would expect an irrigation district to do, here is  
3 what we would expect the City to do", and it's the things  
4 they can accomplish on their own.

5 Other things need to be accomplished by other  
6 people in order to facilitate those actions. But I think  
7 if we don't look at it as a whole then I think we end up  
8 with kind of a patchwork approach to dealing with it.

9 MR. PYLE: That is not articulated.

10 Rick referred to the vision. I looked through  
11 here for the vision. I cannot identify a vision.

12 I think you've got to go back and work on your  
13 vision and your definition of what it is you are talking  
14 about and separate all of these, you know, statewide  
15 activities that you want to do from things that are  
16 expected at the operating water district level.

17 CHAIRMAN MADIGAN: Jack.

18 MR. FOLEY: Yeah, I was -- maybe we can  
19 get out of this trap if we didn't try and hang one on ag  
20 versus urban.

21 I think as you stated, Lester, a number of  
22 these cross both lines, more to some extent in one area  
23 than perhaps in another, but I think what your concerns  
24 are, Stu, and I think you said the word, are implementation  
25 concerns, that some of these are not carried out by the

1 MR. FRICK: I agree with what Stu is  
2 saying but, you know, I think we need to look at a  
3 realistic expectations of water use efficiency.

4 I think a better measure might be in  
5 agriculture, of what water is lost whether the efficiency  
6 is there or not.

7 In the bulk of the San Joaquin Valley with the  
8 exception of that part of the Valley that's not over the  
9 usable underground basin, their water cost is high enough  
10 and their dry water year availability is so little that  
11 there is no waste.

12 Those guys, if you've got a more efficient way  
13 of using that water, they'd like to know because they are  
14 very constricted.

15 The rest of the Valley and there are some  
16 inefficient uses of water in terms of irrigation efficiency  
17 per se, but improving that efficiency does not change the  
18 water balance one iota. It doesn't generate any new water.  
19 It stays there. It gets reused. There is no loss.

20 I think a better thing to address is where is  
21 water lost and the sooner CalFed realizes that in the bulk  
22 of the San Joaquin Valley there is very little water loss  
23 that could be turned into new water or new uses, the  
24 better.

25 And I think most people probably won't accept

1 sector alone but by perhaps a higher being that would be  
2 implementing it.

3 Maybe the way you formulated this, Judy, is  
4 what's creating the problem versus the issue itself and the  
5 tools that are enumerated here.

6 CHAIRMAN MADIGAN: Judith.

7 MS. REDMOND: Yeah, I think that's really  
8 helpful, Jack.

9 I think the idea is that we felt that there  
10 needed to be sort of a policy environment, a statewide  
11 policy environment within which some of these farmers and  
12 ag and urban water agencies could best cooperate with this  
13 effort and so it certainly is true that the -- that there  
14 might be a need for a vision statement or a context  
15 statement which would describe that in here.

16 I mean, I think that the technical assistance  
17 and stuff that we've incorporated would take place on the  
18 farm, you know, there is recommended -- the table that you  
19 refer to sort of is a table not of actions that any one  
20 sector would have to be responsible for taking.

21 It's more a table that describes changes that  
22 are going to be needed in the policy and institutional  
23 environment so that some of the objectives would be  
24 realized.

25 CHAIRMAN MADIGAN: Howard and then Hap.

1 that statement, so to prove up, I know Stu has encouraged  
2 it and I do, too, the use of 3616 MOU is probably one of  
3 the best methods of evaluating that and showing CalFed what  
4 the facts are and what water might be saved.

5 And I think you'll find it's very small and the  
6 sooner we realize that, the better.

7 And like Stu, I realize that it's not a very  
8 exciting prospect for most irrigation districts to get  
9 involved in that. We've got a water conservation plan  
10 that's an inch and a half thick and it doesn't tell you a  
11 damn thing that you can't put in two sentences.

12 We bring the water in, we use it. The  
13 evapotranspiration is the only loss of water out of the  
14 system. Everything else is kept right there. We have no  
15 losses, except the use of the crop. If you want to  
16 generate water for somebody else, very simple.

17 You take land out of production, and you have  
18 transfers, and that's going to have to happen, and I know  
19 Alex doesn't want to hear it but agriculture is going to  
20 have to deal with water transfer legislation that protects  
21 the areas that are wanting to sell water and at the same  
22 time make it available.

23 There is just no other way except conjunctive  
24 use.

25 Now, we have some elaborate conjunctive use

1 programs. We are putting new ones in. They are very  
 2 expensive.  
 3 Most farmers cannot afford the cost of  
 4 additional consumptive use programs, but they can bring in  
 5 wet year water that goes in the ocean and make new water  
 6 but that's rather limited by cost for agriculture.  
 7 Urban people want to do it, that's great. You  
 8 know, we have a cooperative effort with Met that is going  
 9 to work because they can use the extra water generated and  
 10 help us by paying for it and we'll manage it for them.  
 11 But I think we've got to identify the sooner we  
 12 come to the conclusion that there is not extra water laying  
 13 around because of inefficient use in the San Joaquin  
 14 Valley, the better off we are.  
 15 CHAIRMAN MADIGAN: Hap.  
 16 MR. DUNNING: Maybe the concept of  
 17 efficiency has to do with getting the most you can out of  
 18 limited resources and from that point of view it seems you  
 19 can talk about it at the farm level, at the district level  
 20 or at the Statewide level.  
 21 Responding to Stu's concern, I notice that  
 22 after stating the mission or purpose for this work group it  
 23 says that the categories to be considered include urban  
 24 conservation, agricultural conservation and water  
 25 recycling.

1 number 11 surface water pricing, and I don't exactly know  
 2 what that means.  
 3 But it would seem to me entirely appropriate as  
 4 the work group is making recommendations or collecting  
 5 input from participants to the CalFed staff that in its  
 6 role in attempting to craft a comprehensive solution to the  
 7 Bay-Delta water supply reliability, that CalFed is in a  
 8 position to propose some very focused empirical research on  
 9 the effects of conservation pricing on water use in  
 10 agriculture and urban water use.  
 11 Now, there have been various studies done both  
 12 on the ag side and on the urban side but I think that there  
 13 is still tremendous controversy over this issue, the  
 14 relationship between pricing and how one defines efficient  
 15 use.  
 16 And I would like to see that particular subject  
 17 be a topic on the Agenda for the work group in the near  
 18 future.  
 19 MS. REDMOND: One comment about the use of  
 20 those tables and sort of the next step that we envision in  
 21 the work group is that we have this list of tools and I  
 22 think what people are focusing on in those tables is that  
 23 there is a list of potential mechanisms or tools that we've  
 24 identified.  
 25 We haven't agreed to recommend any of them or

1 Maybe a fourth category ought to be added  
 2 there. So we say something like statewide management as  
 3 another category, recognizing that efficiency is a concept  
 4 that's applicable at that level, too.  
 5 Would that be helpful, Stu, in addressing your  
 6 concern?  
 7 MR. PYLE: I think we were discussing  
 8 restating the vision so it's clear to anybody who reads  
 9 here that you are talking about statewide efficiency of  
 10 water use.  
 11 You are not talking about agricultural on farm  
 12 water use, but I don't think there is anything in here that  
 13 indicates a search for efficiencies at the statewide water  
 14 allocation level.  
 15 CHAIRMAN MADIGAN: Judith do you want to  
 16 say anything at this point?  
 17 Mary.  
 18 MS. SELKIRK: I have been, unfortunately,  
 19 an intermittent member of the water use efficiency work  
 20 group and I intend to become a better attendee.  
 21 What concerns me, in this report is that the  
 22 only indication I can find any reference made to pricing is  
 23 on page 5.  
 24 In the list of tools there is a checkmark under  
 25 agriculture only, not even on the urban side with regard to

1 not recommend any of them. We are playing with them.  
 2 And what we are going to do next is take that  
 3 list of tools and figure out if they will meet the  
 4 objectives that we did get some consensus on at the work  
 5 group meetings.  
 6 So that the next -- this discussion is actually  
 7 very helpful because it points out that we need  
 8 to -- those tables can be very important in sort of  
 9 analyzing where -- how far we've come and what some of the  
 10 next steps are, and I think this discussion about whether,  
 11 you know, water markets is really a statewide issue and  
 12 whether pricing isn't perhaps a good tool for both urban  
 13 and agriculture.  
 14 Those kinds of things are really the next step,  
 15 I think, that we are going to be looking at.  
 16 CHAIRMAN MADIGAN: Alex.  
 17 MR. HILDEBRAND: Of course, I'm going to  
 18 endorse everything that Howard Frick said.  
 19 Secondly, I would like to comment that I think  
 20 that Judy and Rick do an excellent job of presiding over  
 21 this subcommittee, and we have good discussions and it's  
 22 ably done.  
 23 But I do have some concerns similar to those of  
 24 Stu's.  
 25 I would express them a little differently.

1 We got off to a bum start here by having things  
 2 in our program which implied that it was less efficient to  
 3 use water to grow food than it was to use water for urban  
 4 and municipal industrial purposes.

5 We've set out a whole lot of agriculture for  
 6 the explicit purpose of making a couple million acre feet  
 7 of water available for other things.

8 I thoroughly reject that idea, in the first  
 9 place.

10 In the second place, I don't think it has  
 11 anything to do with the kind of efficiency that the  
 12 subcommittee should be looking at.

13 If we are going to decide that it's more  
 14 efficient or more in the social interest, I should say, to  
 15 use water for environment versus urban versus agricultural,  
 16 let's handle that at BDAC, not in a subcommittee. It's too  
 17 broad a subject for a subcommittee and it's not basically a  
 18 matter of efficiency.

19 It's a matter of water reallocation and whether  
 20 we should be dabbling in artificial are reallocation of  
 21 water I think is very questionable.

22 But it certainly should be a basic policy issue  
 23 that ought to be discussed here in this group, not pitched  
 24 off to the subcommittee.

25 And when you get into the -- some areas, like

1 or most other industries.

2 And so you in effect just deciding to  
 3 substitute the slowing down, the cutting down of  
 4 agriculture and for the development of new water supply.

5 It's just a cheap way to get by in the short  
 6 run and it's not a cheap way to get by in the long run.

7 As we mentioned before, we've got forecasts of  
 8 20 million more Californians in two or three decades from  
 9 now which is within the lifetime of most of the rest of you  
 10 in this room, and you can't feed 20 million more people  
 11 with the amount of food we are exporting today.

12 You can't go out and buy it at that time  
 13 because the places from where you can buy it today have  
 14 more rapid population growth than we have, and others like  
 15 Mexico are running out of water faster than we are, so the  
 16 fact that we have no plan in the State of California on how  
 17 we are going to feed 20 million more people doesn't justify  
 18 our deciding to just whittle away on agriculture in order  
 19 to take care of the cheapest way in the short run of  
 20 getting water for other purposes.

21 So I think it's very important that this  
 22 committee, the charge to this committee be kept strictly on  
 23 the question of efficient use of water for whatever purpose  
 24 it's being used and should not get into the subject of  
 25 reallocating water from one public benefit to another

1 the one I just mentioned, it's very clear what we are doing  
 2 when we say we are going to shut down agriculture to  
 3 provide water for other things.

4 But it also gets involved in this business of  
 5 water marketing, and it's not the same as efficiency and  
 6 utility.

7 In the case of the utilities, electrical  
 8 utility, we don't have a limited supply. We can go out and  
 9 generate more electricity so that the market functions  
 10 there are rather different.

11 Here we are dealing not only with a limited  
 12 supply, with a decreasing supply. We don't go out and just  
 13 decide to apply the market to how many National Parks we  
 14 should have or what we should do with the seashore or how  
 15 we manage the pollution of air, something like that.

16 The county zoning ordinances on the use of land  
 17 are not based on market efficiency. We try to see that we  
 18 have an adequate allocation for different purposes.

19 So I don't accept the idea that you should just  
 20 have a free market on transferring the water from  
 21 agriculture to other uses, which is what you do when you  
 22 set up a free market on water.

23 The water is a big portion -- water costs are a  
 24 big portion of the costs of growing food. They are not a  
 25 comparably large portion of the costs of residential uses

1 without a clear policy discussion in this organization here  
 2 of the BDAC and we have not had that.

3 CHAIRMAN MADIGAN: Yeah, Mike.

4 MR. STEARNS: I just wanted to comment on  
 5 again I think Judith and Rick are doing a great job and I  
 6 was glad to hear her clarify about these items that have  
 7 been listed before are merely tools that have been brought  
 8 before us for discussion because they do play a role, but  
 9 there certainly hasn't been any consensus in any part of  
 10 this being on the table or particularly people getting the  
 11 hair on their neck up on water rights issues and that sort  
 12 of thing.

13 Where I've got a real problem is there is such  
 14 a great amount of territory to cover in this complicated  
 15 issue and it seems like it requires such a great amount of  
 16 education I don't see how there is time to get this  
 17 information to people where they have some level of comfort  
 18 about understanding how water is being used, and I'm maybe  
 19 asking Lester as our coordinator what level of information  
 20 you think is going to be required to bring this to some  
 21 fruition?

22 Because I have a fear of having to get right  
 23 down to the farm level of trying to explain how water is  
 24 used on particular crops and why drip irrigation isn't  
 25 being used instead of furrow irrigation and I just don't

1 see us ever being able to accomplish that.  
 2 EXECUTIVE DIRECTOR SNOW: My sense is that  
 3 that type of effort is not necessary, that the way the  
 4 group is proceeding and the way that we are looking at it  
 5 is a much, much broader approach to it.  
 6 I don't think that in order to pursue a strong  
 7 water use efficiency program there does not have to be an  
 8 act of condemnation that somebody is out there screwing up  
 9 today.  
 10 It's just an issue of what kind of programs and  
 11 measures could you put in place to produce, first, the  
 12 right kind of incentives to make sure that efficient  
 13 practices are implemented and then make sure that you have  
 14 a good solid list of tools for the people to pick from to  
 15 achieve higher levels of efficiency.  
 16 So I don't think that we have to spend a lot of  
 17 time going district to district or city to city and saying  
 18 "You are doing a good job, you are doing a bad job". I  
 19 think particularly at a Program Level we need to just spend  
 20 some time on what are the effective tools that can be used,  
 21 such as the BMP's, or 3616, what kind of measures can we  
 22 put in place to provide economic and market incentives to  
 23 implement them and how do we make sure that they get  
 24 implemented in the long run?  
 25 So I don't think that we have to labor over a

1 agricultural areas, but because it's a convenience in terms  
 2 of our conversations, in terms of measuring use, and it can  
 3 measure, it can measure efficiency.  
 4 But I think we ought to get out this whole  
 5 business of water transfers, have the conversation here and  
 6 understand what our guidance is on the matter and try to be  
 7 helpful to Judith and her working group on this matter.  
 8 I think you've made impressive strides.  
 9 I think you've obviously, you've touched some  
 10 very emotional core issues around here.  
 11 They are not easy to deal with. They are not  
 12 going to be easy for you to deal with. They are not going  
 13 to be easy for the larger group to deal with, but I commend  
 14 you for coming to grips with them and getting those  
 15 conversations underway.  
 16 There will probably be others that you will  
 17 want to bring here.  
 18 I think that Stu and others have raised some  
 19 important questions that we want to look at, and,  
 20 obviously, you've been taking notes and you've got some  
 21 things to go back to your group with.  
 22 I don't know that we can take the same kind of  
 23 action that we did on Mary's group in terms of seeing  
 24 whether or not we have consensus because we clearly don't  
 25 at this point, but we do have some important issues that

1 lot of details at, you know, specific district levels on  
 2 this.  
 3 CHAIRMAN MADIGAN: I do want to bring up  
 4 the subject of water transfers at a meeting here soon,  
 5 Lester, because it's clear that we have to have this  
 6 conversation and we have to have it in the context of our  
 7 appointing authorities and all of that sort of thing.  
 8 And I don't know that it's fair to ask Judith  
 9 and her subcommittee to deal in a vacuum with that kind of  
 10 issue. So we should bring it up.  
 11 I guess I have a couple of feelings on this,  
 12 and one of them is that -- of course, so many of these  
 13 things tie together but Richard earlier mentioned his  
 14 concern about market.  
 15 You can get overly emotional, I guess, about  
 16 free markets and things like that. Periodically people do,  
 17 but what markets do is use mediums of exchange for the  
 18 accomplishment of usually beneficial objectives, and in the  
 19 medium of exchange that we usually use this country is  
 20 money because we found it convenient to do it that way and  
 21 so money becomes a measure of various sorts of things, and  
 22 among other things, it can be a measure of the value of a  
 23 commodity, like water.  
 24 So we get into those conversations, not because  
 25 there is more money in urban areas or more water in

1 you've identified, and I want this group to be helpful to  
 2 you in terms of trying to bring resolution to a couple of  
 3 them.  
 4 Tom.  
 5 MR. GRAFF: Yeah, I was doing to say that  
 6 Alex at this meeting and previous meetings has made a lot  
 7 of the cogent arguments for limiting the role of water  
 8 transfers in the State but we really haven't had the flip  
 9 side and had water transfer advocates.  
 10 You know, I'm not necessarily saying an  
 11 absolute free market in water but, know, what is the  
 12 affirmative place of water transfers in solving  
 13 California's water problems.  
 14 There is a recent major study of the Chamber  
 15 and the Farm Bureau and the CMA and the round-table have  
 16 put it out with some expert help in a lot of meetings  
 17 around the state. There are already some criticisms of it  
 18 from various quarters.  
 19 Senator Costa, I know, has, I think, already  
 20 got a pre-print or will soon has a pre-print of a Bill that  
 21 he's going to try to move and it's based at least in large  
 22 part on what that set of groups did.  
 23 It seems to me we could have some  
 24 representatives of that group come in and critics and have  
 25 a good discussion about it.

1 CHAIRMAN MADIGAN: Yeah, good point.  
 2 MR. HILDEBRAND: I would just point out  
 3 that the so-called model water transfer act was distributed  
 4 to the BDAC but the critique of it was not.

5 CHAIRMAN MADIGAN: Okay. We should have  
 6 all of that in hand when we approach the discussion. It's  
 7 a big deal.

8 CHAIRMAN MADIGAN: Okay. Yeah, Rosemary.

9 MS. KAMEI: (Inaudible) -- urban sector  
 10 and agricultural sector. It was very confusing, and I  
 11 would recommend that you would just have the listing of the  
 12 tools without those checkmarks because it's not very clear  
 13 as to what it is that you mean or where you are getting at.  
 14 So that was very confusing for me, and I'm sure it's  
 15 probably for other groups or other individuals who may not  
 16 be participating in this work group.

17 The other question I had -- or the other  
 18 comment that I had was on the issues.

19 You identified a lot of very important major  
 20 issues and I was wondering, it wasn't in your next steps as  
 21 to whether you are going to deal with them.

22 It sounded like some of the issues were going  
 23 to be sort of set aside.

24 What is going to be the outcome of some of  
 25 those issues?

1 Maybe Lester has a better idea.

2 MS. REDMOND: First of all, I want to  
 3 thank everyone for the comments. I can see that those  
 4 tables have been a little confusing.

5 They are really in some ways an analysis tool  
 6 for the group to look at some of the work that we are doing  
 7 and so we'll have to go back and think about our  
 8 presentation of those.

9 In terms of the issues we wanted to make  
 10 explicit that those issues had come up so that this group  
 11 could know about them, and it sounds like at least one of  
 12 them, the one of water transfers or something, that should  
 13 be discussed further.

14 That's really what we had in mind, was to bring  
 15 them to the surface, make sure that folks knew that these  
 16 were issues that we weren't sure had been completely  
 17 worked -- completely, you know, worked out in our  
 18 discussions.

19 I want to get back to something that Mike said  
 20 and that has sort of come up several times.

21 I think I've tried to mention it in my  
 22 comments. There is kind of a common language that exists  
 23 between the environmental community and the urban water  
 24 agencies.

25 That doesn't mean that there aren't differences

1 in opinion and goals and objectives and everything, but  
 2 there is a certain level of trust that exists in those  
 3 communities, and I think what Mike might have been getting  
 4 at was that a lot of farmers kind of feel, you know, very  
 5 much -- very defensive or something in this whole process  
 6 and that in some ways that is something that needs to be  
 7 addressed and discussed, that that level of trust needs to  
 8 be worked on, that that -- a common language and  
 9 understanding doesn't exist in -- and I think could -- I  
 10 have optimism that if, you know, there was a little work  
 11 being done just on building that level of trust and  
 12 definition of objectives and an understanding of what  
 13 people were talking about, that that would really help  
 14 farmers, I think, feel that they weren't going to be  
 15 attacked if they weren't all using drip irrigation or  
 16 something.

17 I think that might have been what Mike was  
 18 getting at there.

19 CHAIRMAN MADIGAN: Yeah. Sunne.

20 MS. MCPEAK: Mr. Chairman, this has been a  
 21 very productive discussion, but I want to confess, I'm  
 22 actually lost in it.

23 I'm having a hard time understanding where the  
 24 disagreement is.

25 Now, I understand there is a disagreement, but

1 when I read and listen, read what Alex has written and  
 2 Stuart, and then look at the report, I do not see in this  
 3 report suggestions of what you stated are the concerns  
 4 so -- but I will confess to probably being just very  
 5 ignorant.

6 I also think that what was the starting point  
 7 that Judith laid out about efficient use as simply an  
 8 ethic, that no water can be wasted by any sector is a  
 9 pretty good place to begin.

10 And I spent a good deal of my life and so did a  
 11 lot of others, three years or so, on the BMP's, I saw  
 12 earlier David here, Fullerton and Roberta -- he was  
 13 standing back there -- now it's Clark -- where is he?

14 A SPECTATOR: (Indicating)

15 MS. MCPEAK: Oh, there he is. Okay.

16 I mean, there is a lot of water that the urban  
 17 sector put on the table trying to use that water more  
 18 efficiently.

19 I would want to acknowledge that I think it's  
 20 Southern California that's actually putting up a lot more  
 21 money in implementing the BMP's and water recycling.

22 We've got to pull our own weight in the Bay  
 23 Area and Northern California, but I hope we will -- I mean,  
 24 I know we need to get into this a little bit more.

25 Further, I want to both commend the notion of a

1 discussion around water transfers and the principle that  
 2 your work group put up there of looking at a water market.  
 3 That does not suggest that you don't start with  
 4 baseline environmental protections.  
 5 In fact, I have constituencies that advocate  
 6 probably louder than anybody else water markets, that was  
 7 after Tom Graff introduced this subject two decades ago in  
 8 California water policy and I personally argued strenuously  
 9 to get into our own policy the notion of baseline  
 10 environmental protections is not something that you leave  
 11 to a market. That finally is our position.  
 12 Furthermore, I get roundly criticized by my own  
 13 economists when suggesting that you'd better not just let  
 14 the water market operate without looking at impacts on  
 15 particularly, agriculture.  
 16 So I want to sort of get into the discussions  
 17 as you've suggested but have to confess I'm still having a  
 18 difficulty reconciling the objections with what I see up  
 19 there because I didn't see that suggesting the problems  
 20 that were being cited.  
 21 CHAIRMAN MADIGAN: Right. Thank you,  
 22 Judith.  
 23 Thank you, Rick.  
 24 MS. McPEAK: One more thing.  
 25 Nobody has ever suggested in this room nor is

1 And so if we are going to propose market  
 2 incentives then we need to come back as part of the package  
 3 and have a way of dealing with third party impacts.  
 4 MR. PYLE: Can I say just one short thing  
 5 to educate Sunne?  
 6 CHAIRMAN MADIGAN: Sure.  
 7 MS. McPEAK: To educate me, right.  
 8 MR. PYLE: Sunne, you have never been  
 9 ignorant, even going back to the days of the three E's and  
 10 all of that type of thing, you know, you know about  
 11 efficiency.  
 12 CHAIRMAN MADIGAN: That was a compliment,  
 13 I'm pretty sure, Sunne.  
 14 MR. PYLE: That was a compliment, yeah.  
 15 She was all for efficiency, ever since I've known her.  
 16 Ask anybody to define water use efficiency, and  
 17 it says the categories included there on this page 1  
 18 include urban conservation and agricultural conservation  
 19 and water recycling, and how many people in this room would  
 20 automatically in defining water use efficiency in those  
 21 terms turn to water transfers, water rights assurances,  
 22 water transfer taxes and so forth?  
 23 I don't know of any cross-reference that you  
 24 could get to that would define water efficiency in terms of  
 25 those aspects, and I think you have to go to some pains to

1 any proposal on the table for something that isn't a  
 2 voluntary market.  
 3 CHAIRMAN MADIGAN: That, too.  
 4 MS. McPEAK: I mean, nobody is going to  
 5 hold a gun to anyone's head and say "Thou shalt transfer".  
 6 CHAIRMAN MADIGAN: Unless it looks like a  
 7 \$20 bill. That's right. I know. Okay. I'm with you.  
 8 All right. Thank you.  
 9 Oh, yeah. Rosemary.  
 10 MS. KAMEI: I have a question for Lester  
 11 since Judith mentioned that the purpose of bringing up the  
 12 issues was to let us know that they are issues and that  
 13 people did bring them forth.  
 14 Where do those issues go then?  
 15 Will they be dealt with in another process or  
 16 what are we going to do with them?  
 17 EXECUTIVE DIRECTOR SNOW: We would expect  
 18 that most of those issues identified would continue to be  
 19 ripened, if that's the right word, in the water use  
 20 efficiency work group and then eventually we would bring  
 21 them as a policy issue for some sort of action or  
 22 resolution as part of the overall program.  
 23 I mean, I think the classic example is if the  
 24 transfers and market incentives are a critical part of the  
 25 program then an issue is third party impacts.

1 redefine water efficiency as you mean it from a statewide  
 2 standpoint and not from what we think of agricultural water  
 3 efficiency from a district and field standpoint or urban  
 4 efficiency from a service area standpoint. You have got to  
 5 get water efficiency elevated to a statewide vision.  
 6 MS. McPEAK: I would agree with that. I  
 7 don't have a problem with the water -- the notion of a  
 8 water market from a statewide perspective. In theory  
 9 should -- and I think also in practice where it's been  
 10 implemented result in a more efficient allocation of a  
 11 resource.  
 12 That's why you would go to a water market.  
 13 Now, that is a different kind of efficiency,  
 14 although we would use that term, than application,  
 15 efficient use of a given supply or efficiency of  
 16 application.  
 17 There is probably very few places that in  
 18 agriculture, Stuart, that are as efficient as in Kern  
 19 County.  
 20 Where I grew up, I would suggest -- I don't  
 21 know if Alan Short is still here, but Merced Irrigation  
 22 District probably doesn't have as much efficient  
 23 application.  
 24 MR. PYLE: It's a matter of (inaudible).  
 25 MS. McPEAK: Now, the environmentalists

1 would join you.  
 2 It has to do with also what kind of investments  
 3 that are made, as you well know, in the system and, you  
 4 know, it goes on. So we are trying to articulate a  
 5 principle here of efficiency overall.  
 6 Where those -- where the transfer tax issue got  
 7 raised, I think, and it was probably in the dialogue of  
 8 just water transfers is what you might do as generating a  
 9 revenue stream.  
 10 But it's not -- the transfer tax has little to  
 11 do, probably nothing to do with efficient use.  
 12 CHAIRMAN MADIGAN: On the originating end?  
 13 MS. MCPEAK: On the originating end,  
 14 right.  
 15 On the buying end you should be very careful  
 16 about your resource.  
 17 CHAIRMAN MADIGAN: All right. Public  
 18 comment?  
 19 Okay. We have several.  
 20 Go ahead, Mr. Petry, and then you, sir.  
 21 MR. PETRY: The City of Mendota has been  
 22 through a drastic experience of water transfers in our  
 23 area, and I'm talking not surface water transfers. I'm  
 24 talking groundwater transfers.  
 25 Groundwater transfers impact our area somewhat

1 Is there some way we can conserve those waters,  
 2 and if you get into minute rains can't you use them in  
 3 between? I do that at my house. I've got three 35 gallon  
 4 drums. I cut the downspouts off on the roof and catch it  
 5 at the valley gutter.  
 6 When we don't have the rain, when we go without  
 7 rain for a week or so, I use it to irrigate my landscape.  
 8 That keeps it off the street. It keeps it off the  
 9 pollutant -- picking up pollutants on its way to the  
 10 waterways.  
 11 That's a pretty good quality of water, too.  
 12 It's a better quality of water than we are getting out of  
 13 the ground with 1700 parts of total dissolved solids and my  
 14 landscape does fantastic with roof runoff.  
 15 How many acres of land are covered by roofs in  
 16 Los Angeles, in Bakersfield where they get intermittent  
 17 rains?  
 18 There are water practices, urban water  
 19 practices can be used, and then where agricultural is  
 20 concerned, we are into more water intensive type crops. It  
 21 isn't crops by animals. It's crops for people.  
 22 Those type of crops require more water.  
 23 Is this not another reason why we are running  
 24 short of water?  
 25 Food products require more water.

1 drastically inasmuch as there are no flows between like  
 2 (inaudible) and the Mendota Pool, we don't get a supply of  
 3 water.  
 4 So water transfers where agriculture is  
 5 concerned in our area has a drastic effect on it and I  
 6 think it needs to be discussed and worked over.  
 7 If you talk about urban water use, how many  
 8 water meters do we have in Sacramento?  
 9 How many water meters do we have in the City of  
 10 Fresno, yet they keep looking for more water.  
 11 Isn't water meters one way of controlling the  
 12 use of water?  
 13 CHAIRMAN MADIGAN: It's been rumored.  
 14 MR. PETRY: I think that there is a way of  
 15 controlling the use of water by installing water meters.  
 16 You use it, you pay for it, instead of having a flat rate  
 17 throughout.  
 18 And that's -- most of the water districts or  
 19 water agencies that control domestic water request water  
 20 meters be installed. Now that's a way of managing water.  
 21 How many cities in the -- how many roofs are  
 22 there in the City of Los Angeles that gather water? Where  
 23 do those waters go?  
 24 They go to street runoff. They go to  
 25 infrastructure runoff.

1 We are all getting back to the same old story,  
 2 additional storage, and you can fight it all you want.  
 3 That's what it's going to wind up to be.  
 4 Thank you.  
 5 CHAIRMAN MADIGAN: Thank you.  
 6 Yes, sir?  
 7 DENNIS FOX: Yes, I'm Dennis Fox.  
 8 I have a specific proposal but it's not to be  
 9 considered specific. It's easier for me to use specifics  
 10 to explain things, using scenarios and stuff.  
 11 As it is, you probably think that BDAC when I  
 12 get through might stand for babble, delay and confused, but  
 13 I have two proposals and one begets the other.  
 14 The first one that I'd like to talk about is  
 15 land retirement. I do not believe you should call it land  
 16 retirement. You should call it land reversion.  
 17 With this land should not, especially on the  
 18 west side, should not be retired. It should be reverted to  
 19 the pastoral aspects that Henry Miller said it should  
 20 remain.  
 21 Therefore, you can grow some mobile Big Mac's.  
 22 I believe that it is going to be reverted agronomically if  
 23 not politically, anyway, and coming quite soon.  
 24 If it is reverted there will be some water  
 25 needed to establish a pastoral area, not much but some. I

1 believe it should remain so for economic and employment  
2 benefits. Habitat, cows and critters have been and will  
3 remain compatible.

4 You would find funding possibilities from  
5 conservation easements and the cities, such as Bakersfield,  
6 Fresno, et cetera, which are doing habitat conservation  
7 plans can help fund this.

8 The main thing I would think is that it would  
9 remain this land on the tax roles. The counties down there  
10 are into zoning for dollars, into urban development.

11 This is needed to pay for the welfare of those  
12 that the counties have displaced from previous ag related  
13 employment from there previous conversions and they also  
14 need next year's taxes to pay for last year's  
15 infrastructure.

16 This also causes farms to leave the east side  
17 of the Valley and go to the west where more water has to be  
18 used.

19 As you know, a lot of this is caused by the  
20 salt and as you probably have heard a lot of that salt is  
21 caused by tears.

22 I feel that this gate leads to the second part,  
23 which are fee-bates. You should charge counties for this  
24 urbanization, increase on their water costs.

25 For example, Mr. Pyle's Kern County is very

1 I believe you should eliminate current pricing  
2 subsidies.

3 However, and I should really say, however, you  
4 should use these funds to give rebates and discounts to  
5 agriculture for certain conjunctive uses which the public  
6 might deem a public good.

7 An example would be flooding for waterfowl,  
8 providing critter habitat, providing a certain number of  
9 days of active or passive recreation, providing water  
10 percolation recharge.

11 All of these would be conservation measures I  
12 believe and should be paid for and paid for by the higher  
13 use on the other end.

14 This article is from an article on fee-bates  
15 which was in the Journal of the America Waterworks  
16 Association of January of this year. It is less regulatory  
17 in nature and allows for local choices.

18 I have adapted it based on a model which I know  
19 we are all familiar and that we all love, the progressive  
20 income tax.

21 I really see that the panacea of Prop 204 it  
22 should be funding -- it should be just for capital projects  
23 alone. You need an O and M and also a bond retirement  
24 mechanism that would be ongoing.

25 I think this might give you something there.

1 great at doing that. They also do not believe in water  
2 meters. If they don't want water meters they don't have to  
3 have them.

4 However, perhaps if there is a raising of the  
5 water bill, then the payback time might be lessened and it  
6 might be considered.

7 They do not have a water conservation and  
8 landscape ordinance down there. They told the State to  
9 stick it up their Peripheral Canal and also the City of  
10 Bakersfield wishes to dig up the streets and put in canals  
11 to draw in all kinds of tourists.

12 I don't know if they'll find a place to park as  
13 it is, but as you know this is great waste, and this is  
14 encouraged because that urban area is in the zone of  
15 benefit number seven. Metropolitan Bakersfield, benefit  
16 zone number seven, pays for most of the water into that  
17 area.

18 The more water that they use, the more they  
19 pay. This is an ag subsidy. I believe a more acceptable  
20 way to accomplish the exact same thing is to charge a fee  
21 on these wasteful practices.

22 It would be fair to those counties and cities  
23 which do conserve.

24 You can utilize the funds collected in a more  
25 restoration work not a bureaucracy.

1 This would also meet some of the goals of the CVPIA, which  
2 I think this bullet and your staff might wish to have a  
3 Workshop at some time with.

4 Thank you.

5 CHAIRMAN MADIGAN: Thank you, sir.

6 Yes, sir.

7 ARNOLD RUMMELSBURG: Thank you,  
8 Mr. Chairman. My name is Arnold Rummelsburg representing  
9 Wheeler Ridge-Maricopa Water Storage District, member unit  
10 of the Kern County Water Agency.

11 I appreciate the discussion on water use  
12 efficiency. Comment particularly back up what both Stu,  
13 Howard and Alex have said.

14 To bring Stu up to date many of our districts  
15 are on farm efficiency as 80 percent. Basin efficiency,  
16 however, is something like 96 percent in the Tulare basin.

17 I was interested to hear that your group might  
18 be considering total efficiency.

19 If you are, the basin efficiency of 96 percent  
20 is too high for salt balance purposes.

21 As a result more water would be required to  
22 balance that out and it's something that has to be  
23 considered.

24 Secondly, I'm delighted to see a paragraph, at  
25 least, in the report on efficient water use for

1 environmental purposes. I think this has been mentioned  
 2 before. I remember Steve Hall bringing it up at your  
 3 meeting in Los Angeles.

4 I am concerned, however, that it's a very short  
 5 paragraph whereas water use efficiency for urban purposes  
 6 takes 15 pages. That for agricultural purposes, I think 14  
 7 pages and although that is not necessarily an indication of  
 8 their importance, I think it's essential, absolutely  
 9 essential, if this program is to be accepted throughout the  
 10 State, particularly it be accepted by our agricultural  
 11 people, that it's determined that any water use for any  
 12 purposes be used efficiently.

13 There have to be some guidelines. There have  
 14 to be some purposes. These have not been developed, and I  
 15 believe that before any program can be acceptable, they  
 16 have to be developed.

17 I think it's further important because in  
 18 Proposition 204 -- was it 290 million dollars for the  
 19 purposes of environmental purposes, and if this includes  
 20 water, I think our people have to be convinced that the  
 21 water is used for beneficial purposes and that money is  
 22 reasonably spent.

23 Sunne, you seem confused as to why Stu is  
 24 concerned about some of these things, and, as I read the  
 25 report that's been put out from the work group, I, too, am

1 them balanced so we can put this all in the proper  
 2 perspective.

3 Thank you.

4 CHAIRMAN MADIGAN: Thank you, sir.  
 5 Yes, sir.

6 STEVE OTTOMOLER: I will in the interest  
 7 of efficient use of time not make any comments.  
 8 Arnold said the things that I was going to say,  
 9 probably a lot more eloquently.

10 CHAIRMAN MADIGAN: All right. Thank you.  
 11 Well, Judith, you have launched an interesting  
 12 series of conversations.

13 So, guys, how does your calendar look for the  
 14 25th of October?

15 The 25th of October is going to be the next  
 16 meeting of BDAC.

17 These items are important and meaty and these  
 18 conversations have been valuable and good, and we have  
 19 flushed some things that we really need to talk about.

20 I would not want to discourage this kind of  
 21 conversation for a second, but it's clear that we are going  
 22 to need additional time in which to conduct those  
 23 conversations.

24 Lester will be getting out a Notice and an  
 25 Agenda.

1 concerned.

2 Alex very early in the meeting said there is  
 3 the impression that one of the big pushes is to take water  
 4 away from agriculture and use it for environmental purposes  
 5 and I certainly read that not only in this report and with  
 6 others, and that is the impression that the folks in Kern  
 7 County also receive.

8 As a matter of fact, as we speak, and I'm not  
 9 sure Stu is aware of this, there is a meeting going on at  
 10 the Kern County Water Agency office --

11 MR. PYLE: (Affirmative nod)

12 ARNOLD RUMMELSBURG: -- he is aware of it,  
 13 of all of the water districts in Kern County addressing  
 14 this very issue, and it's something that they are very,  
 15 very concerned about, and I believe that this issue of  
 16 efficient water use for all purposes, including  
 17 environmental purposes, and in our view, particularly for  
 18 environmental purposes, has to be developed in a balanced  
 19 fashion and in an equitable fashion if the CalFed Program  
 20 is going to succeed.

21 Because if it is going to succeed, it's going  
 22 to take the support of all three segments here.

23 It's a little like a three legged stool, two  
 24 legs are this long (indicating) and one is this long.

25 I urge you to lengthen that third leg and make

1 Eric has offered to hold his item until that  
 2 meeting on the 25th so I would like to go on to Hap and the  
 3 assurances group.

4 MR. DUNNING: Okay. Well, I can be pretty  
 5 brief, although who knows what kind of discussion may  
 6 follow --

7 CHAIRMAN MADIGAN: You are only one of  
 8 about 20 people, Hap, so . . .

9 MR. DUNNING: The assurances work group,  
 10 of course, was appointed a lot later than the others so  
 11 we've only had one meeting.

12 We have agreed on our missions statement, which  
 13 is included in the packet.

14 The essence of it is to assure implementation  
 15 of long-term solutions identified by the Bay-Delta Program.

16 Of course, we've talked a lot this morning  
 17 about the difference between implementation and the  
 18 question of durability.

19 I suppose the most important thing we've  
 20 decided so far is that the approach will be needs base,  
 21 that rather than having some kind of top down approach,  
 22 instead there will be a bottoms up approach trying to  
 23 identify needs or principal needs, at least, of  
 24 stakeholders and one of your discussions at the meeting  
 25 concerned whether this is really just the key players or a

1 whole broad range of stakeholders and I think the sentiment  
 2 was it's a broad range of stakeholders, not just those who  
 3 maybe had the political power to block a deal.  
 4       Once this is done then we go on to identify  
 5 various mechanisms for providing assurance. The object of  
 6 the whole exercise being to increase confidence level that  
 7 there will be effective implementation of the elements in  
 8 the recommended or adopted solution.  
 9       So I will turn it over to Mary for discussion  
 10 of how the staff is working on both of those matters,  
 11 identification of needs and mechanisms for meeting needs.  
 12       MS. SCOONOVER: Thank you, Hap.  
 13       I'll try to be brief as well.  
 14       We have had one meeting. We have three more  
 15 scheduled.  
 16       The next is going to be October 2nd and then  
 17 there is a meeting in early November and one in December as  
 18 well.  
 19       Since the work group is just getting going if  
 20 you are interested in getting on the mailing list, please  
 21 talk to me and I'll make sure that you are -- our mailing  
 22 list obviously is growing.  
 23       I wanted to take a minute to walk through our  
 24 schedule so you have some idea of the work plan or the  
 25 process we've proposed in order to satisfy the need for

1       We've flushed out the tools and we are just  
 2 beginning to try to figure out how each tool measures up to  
 3 the objectives and needs that we've identified.  
 4       From there, as I say, we'll craft the  
 5 preliminary package.  
 6       Once a preferred alternative has been  
 7 identified then the work group and staff can turn its  
 8 attention to crafting a more specific package of  
 9 assurances.  
 10       And I say package because I truly do not  
 11 believe that a single action or assurance can take care of  
 12 the whole array of issues that this program is going to be  
 13 addressing.  
 14       So I do think that it's going to be a package  
 15 of assurances.  
 16       I want to mention that I've been working with  
 17 Dave Fullerton and Mike Heton (phonetic).  
 18       We've put out a paper kind of laying out this  
 19 proposal, this schedule, with some detailed discussion of  
 20 the needs and objectives that will be refined by the other  
 21 work groups and by our work group, and we hope that that  
 22 document is in the mail on its way to you even as we speak.  
 23       Thank you.  
 24       CHAIRMAN MADIGAN: What conversations are  
 25 you having with the other work groups regarding the fact

1 crafting assurances.  
 2       It's kind of motivated by an end date and, that  
 3 is, by March of '97 we need to have a preliminary package  
 4 of assurances to help as part of the selecting of a  
 5 preferred alternative.  
 6       So in order to influence that process and to be  
 7 able to be allow BDAC to have the input into that process  
 8 our work group is planning to craft a preliminary packet of  
 9 assurances by March of '97 so things are kind of backed off  
 10 somewhat from that.  
 11       We are currently as Hap said in the process of  
 12 identifying needs and objectives.  
 13       We are also moving into describing the tools or  
 14 differing methods of assurance that are available.  
 15       In November we will be defining guidelines and  
 16 principles to govern our selection of assurances.  
 17       We will then assess the various tools and  
 18 methods against the needs and objectives that we've  
 19 identified and begin crafting the preliminary package.  
 20       The Workshop is scheduled for -- tentatively  
 21 scheduled for late January, early February to come  
 22 at -- number four on this overhead -- at the point where we  
 23 are assisting tools or methods against each need so that  
 24 public involvement can come at a time when there is an  
 25 adequate description of the problem and the objective.

1 that they are now identifying assurance issues and/or needs  
 2 and how are you plugging that into your program?  
 3       I understand it's an iterative process but  
 4 there needs to be as much, it seems to me, formality as  
 5 possible so that you have that sort of exchange.  
 6       They are going to need to know what you're  
 7 thinking as well.  
 8       MS. SCOONOVER: Yeah.  
 9       Up until this point it's been on a staff and  
 10 consultant level.  
 11       I've talked to each of the work group  
 12 coordinators and they've identified issues of concern that  
 13 have come up during their discussions.  
 14       They are all going to be working on putting  
 15 together more formal lists of concerns and relaying those  
 16 to us, but because we have a short timeline we've taken  
 17 those preliminary concerns as well as concerns that were  
 18 raised during the Workshops, some of the public scoping  
 19 meetings, public hearings and in previous BDAC meetings and  
 20 put them into a list and a framework.  
 21       That's the document that's going to be  
 22 circulated again to help, I hope, jump start and focus some  
 23 of the other work groups' efforts on the concerns, to see  
 24 if the list is complete or accurately displayed.  
 25       CHAIRMAN MADIGAN: okay.

1 Then I accept Bob Raab's indication that  
2 politically this is a very, very important issue and I  
3 don't want us to by any error of omission fail to have that  
4 kind of cross-communication.

5 And, Mary, that would go for your working  
6 group.

7 MS. SELKIRK: (Affirmative nod)

8 CHAIRMAN MADIGAN: And, Judith, for yours.  
9 I mean, this is a big deal.

10 Questions?

11 Bob.

12 MR. RAAB: It's not quite clear to me  
13 where the word "needs" meshes in with the four categories  
14 of ecosystem -- of the four major improvements we want to  
15 make and the other components.

16 Hap, maybe you could enlighten me more  
17 specifically on what you mean by needs.

18 MR. DUNNING: Well, I think it relates to  
19 all of those different four areas. With regard to system  
20 vulnerability, for example, you would have stakeholders  
21 that perceive needs with regard to levees, levee  
22 maintenance and so forth and I think you can go through all  
23 of the different areas and pick out the things that are  
24 critical to the relevant players.

25 MS. SCOONOVER: We also, we are using the

1 other Workshops CalFed is conducting and, you know,  
2 staffing requirements, as well as the desires of the work  
3 group itself.

4 CHAIRMAN MADIGAN: Okay. Thank you.  
5 Water quality, Steve, Mr. Yaeger, you are on.

6 MR. YAEGER: I just wanted to make a few  
7 opening remarks and then I'm going to turn this segment of  
8 the presentation over to Ron Ott and if time allows,  
9 Stein Buer is going to present on storage and conveyance.

10 I wanted to kind of set the scene for the  
11 presentations that you are going to receive now. We've  
12 been hearing about presentations on the work groups, which  
13 are official BDAC sanctioned groups to deal with the policy  
14 issues related to the components; the presentations in the  
15 rest of the Agenda are dealing with the technical teams  
16 that we have formed to deal with the technical issues  
17 resolving around water quality and storage and conveyance  
18 and we'll probably be dealing with system integrity in the  
19 levees at the newly scheduled meeting on the 25th.

20 But I just wanted to draw that distinction  
21 because the teams that are going to hear described are  
22 dealing specifically with the technical issues.

23 They will be trying to identify policy related  
24 issues with those components as they work through the  
25 technical parts and we'll be bringing those policy issues

1 terms needs and objectives somewhat interchangeably as  
2 well, trying to state the needs in an objective form, a  
3 positive statement, in order to craft assurances that meet  
4 those needs and/or objectives.

5 CHAIRMAN MADIGAN: Eric.

6 MR. HASSELTINE: Another key place where  
7 the needs come in, Bob, is in terms of the financial plan  
8 that we are working on in order to be able to implement the  
9 overall solution. In order to sell bonds or to raise the  
10 funds that are going to be necessary to do this we are  
11 going to have to be able to assure those people from whom  
12 we are getting the money that what's being planned is going  
13 to be done so there is a real need for assurances to  
14 backstop the whole financial plan.

15 CHAIRMAN MADIGAN: Okay. Ray.

16 MR. REMY: And the location of those  
17 Workshops?

18 CHAIRMAN MADIGAN: Mary, did you hear the  
19 question? The location of the Workshops.

20 MR. REMY: The Workshop or your committee  
21 meetings.

22 MS. SCOONOVER: The regular meetings are  
23 held in Sacramento in the resources building. The Workshop  
24 we have not yet determined a location.

25 I think it will depend somewhat on how many

1 to either specific BDAC work groups if they apply or to  
2 BDAC as a whole as seems appropriate.

3 CHAIRMAN MADIGAN: Okay.

4 MR. YAEGER: The schedule that we have set  
5 for ourselves includes component refinement and I think  
6 about the November 1st time frame is our scheduled for  
7 having those components refined.

8 You are going to hear a discussion of how we  
9 are doing on refining the components.

10 Beyond that we have pre-feasibility analysis  
11 and additional cost estimates that we are working on over  
12 the time frame from about November through April or May as  
13 we conclude the initial analysis on where the programmatic  
14 EIR.

15 I also wanted to let you know that we do  
16 recognize that there are linkages between each of these  
17 components we are working on; storage and conveyance and  
18 water quality, ecosystem, storage and conveyance, water  
19 quality. Our plan has been to work on these separately,  
20 try and refine those components, initially as an  
21 independent action, but we have planned in the late  
22 October, early November time frame to start bringing all of  
23 those resource areas together to identify linkages between  
24 the areas, to identify overlaps in actions that deal with  
25 more than one resource and to try to sort out that whole

1 picture of synergism and cross resource area impacts.  
 2 Since BDAC met last we have added a  
 3 considerable amount of additional staff, experts from the  
 4 various CalFed agencies to assist us in this process.  
 5 You are going to be seeing some of them making  
 6 presentations today and at your October 25th meeting.  
 7 Ron Ott is on the consultant team, manages the  
 8 consultant team.  
 9 He is going to be making the presentation on  
 10 water quality.  
 11 Stein Buer has been working with us for over a  
 12 year, and I think you've seen him in the programs, but he  
 13 is now officially a CalFed staff and will be leading the  
 14 storage conveyance component.  
 15 Curt Schmutte, you'll be hearing from at the  
 16 October 5th meeting and is leading the effort in the levees  
 17 and system integrity area.  
 18 So with that, Ron, would you lead us through  
 19 water quality?  
 20 MR. OTT: Thanks, Steve.  
 21 We are talking about the water quality common  
 22 component work plan but we really want to emphasize that we  
 23 are on the technical team status report and I'd just like  
 24 to give you a brief status of where we are and what our  
 25 program is to get to a common quality work plan.

1 That's when we finally roll all of the  
 2 individual components together.  
 3 The overall schedule is, first, one, determine  
 4 the parameters of concern. I could say -- I like to say  
 5 parameters of success. In other words, if all these water  
 6 quality parameters we are talking about, all this were  
 7 good, then everybody would say we have a successful  
 8 program.  
 9 They want to know where those are, what they  
 10 are and where would they be applied throughout the Delta  
 11 system and what are the reasonable ranges of those.  
 12 The three different groups now have all done a  
 13 first pass at that and what the location of where they  
 14 would be and some of the groups have already come up with a  
 15 straw person set of ranges that they would like to see for  
 16 those water quality parameters.  
 17 Developing actions to address these parameters  
 18 of concern has also been a responsibility of these  
 19 committees.  
 20 They've gone through and developed 41 water  
 21 quality actions that would address these parameters in some  
 22 way of concern.  
 23 Those actions are out now going through a  
 24 process where everybody is listing the benefits of those  
 25 actions that may be derived and also listing the

1 The important to that is the three objectives  
 2 that we are asking the technical team to do. Number one is  
 3 to develop a detailed description of actions. In other  
 4 words, what actions would fit together to make a quality  
 5 program?  
 6 Number two, what are the major water quality  
 7 parameters of concern in the program and what level should  
 8 they be when we finish the program?  
 9 And, three, is roll all of this together with  
 10 all of the other technical groups and common programs to go  
 11 on to see what a meaningful list of actions would be to  
 12 accomplish the program.  
 13 To do that we've put three sub-water quality  
 14 groups together; ecosystem, agriculture and urban and we've  
 15 sent them off and each one -- the agriculture has had three  
 16 meetings so far; the ecosystem has had three meetings so  
 17 far on water quality and the urbans had one general meeting  
 18 here together as a CalFed team and then they gave us a  
 19 proposal to go away, the CUWA group went away is setting up  
 20 a set of conditions or parameters of concern and what  
 21 levels they think are applicable.  
 22 Those three teams will go away, look at the  
 23 actions, look at the things that they are concerned with,  
 24 and then roll it together in a total water quality meeting  
 25 which starts this October 2nd.

1 constraints, and that's been a very interesting process to  
 2 watch, especially in the different communities, urban and  
 3 ag and ecosystem, what they think the constraints are of  
 4 implementing that particular action, which has really  
 5 helped us out a lot.  
 6 Once they do that we'll meet together, go over  
 7 those two, parameters of concern and the actions we think  
 8 could be applied to solve those parameters, and then we'll  
 9 develop the linkages between those and storage and  
 10 conveyance.  
 11 Because that in a lot of cases water quality is  
 12 tied very closely to the other common programs that we are  
 13 talking about, especially storage conveyance, water use  
 14 efficiency and of course ecosystem.  
 15 Right out of that we'll start looking at the  
 16 cost effectiveness of each one of those actions to improve  
 17 the water quality and we'll prepare a draft plan of the  
 18 water quality component hopefully by the end of November.  
 19 That's a very fast schedule. These people are working very  
 20 hard.  
 21 From then we look at the impacts, go through  
 22 the impact analysis section and I'd like all the other  
 23 technical teams to go through a continuing iterative  
 24 component refinement.  
 25 I'll just give you a preliminary list of the

1 parameters of concern and I think you can see that almost  
 2 all three areas have salinity, which we've heard a lot  
 3 about today, is one of the major parameters of concern,  
 4 some of them like agriculture have chlorides, sodium  
 5 absorption ratio has a lot to do with your leaching  
 6 fraction.

7 We get into a lot of detail of where we are in  
 8 the Valley. The leaching fraction has what kind of water  
 9 has got to be applied because we are looking at the water  
 10 quality that's coming off of that.

11 Boron affects them some areas. Of course, in  
 12 urban we've got salinity, total organic carbons and  
 13 bromides, a precursor to disinfection by-products and  
 14 pathogens are some of their -- ecosystem, salinity,  
 15 organics and metals are from a toxicity point of view some  
 16 of the things that are very interesting and all of them  
 17 seem to have turbidity and TDS associated with them.

18 The major thing that has come out of this is  
 19 the issues are starting to emerge and I think we've  
 20 discussed a lot of them today, have been brought on the  
 21 floor. As we go through these and especially as we merge  
 22 these committees together it will be very interesting to  
 23 see how we address these issues of agricultural drainage  
 24 and the overall salt management, especially in the  
 25 different river systems.

1 long range of benefits, especially to the fisheries, which  
 2 impacts recreation.

3 The other one and that deals with the ranges of  
 4 ecosystem water quality evaluation criteria. There is a  
 5 lot that we don't know about.

6 So far I've been very pleased in how they've  
 7 narrowed those ranges down. For instance, the ecosystem,  
 8 one started off that said, when we first started said "Any  
 9 water quality parameter could affect anything alive".  
 10 Well, that's a lot of water quality parameters of concern.  
 11 We are down to 15 right now and narrowing and even come  
 12 down to a shorter group than that.

13 So I think it's been very successful.  
 14 Everybody's willing to work together. Even some of the ag  
 15 people have been attending the ecosystem one when they talk  
 16 about agricultural discharges.

17 We'll be coming together on the second. The  
 18 urban CUWA group, I'm assured by -- where did he  
 19 go -- anyway, I am assured that they will be there at that  
 20 time and give us a talk about where they are and their  
 21 parameters of concern, their locations and what actions to  
 22 be taken. From then on we'll always meet as a joint  
 23 committee working out the different issues and I'm sure  
 24 there will be issues that come out of there that we can't  
 25 work out. Technically we'll take them to the PCT if we

1 The other one is we've had issues brought up of  
 2 what is the water quality. Is it a problem of some of the  
 3 agricultural drainage and how that affects the ecosystem.  
 4 You can see that would be of interest.

5 A lot that's talked about in these committees  
 6 is water use efficiency versus water quality. There are a  
 7 lot of measures that if you did do additional efficiencies  
 8 where you were, the different groups feel you may not come  
 9 up with a better water quality situation. You may come up  
 10 with a worse situation so you are going to have to  
 11 coordinate very closely between the water use efficiency  
 12 group, ecosystem group and the water quality group, a lot  
 13 of collaborative interaction.

14 Water quality and sediments, it's interesting  
 15 to note that we always think of water quality just in the  
 16 water column and we come up with actions that say let's  
 17 make the water quality better as it flows along but it  
 18 depends on a lot of these actions the water quality of the  
 19 constituents that we are interested in are the parameters  
 20 of concern tie to the sediments and that acts differently  
 21 for different alternatives so that's a major issue, a  
 22 bioaccumulation in how that reacts back to the biological  
 23 system which throws another wrinkle in your thinking.

24 It's not intuitive sometimes on some of the  
 25 actions that we would take and what it does to that in a

1 can't work them out or else if they become policy issues  
 2 they'll come to you for discussion and resolution.

3 Thank you.

4 Are there any questions?

5 CHAIRMAN MADIGAN: Questions?

6 Alex.

7 MR. HILDEBRAND: I don't really have a  
 8 question.

9 I'd like to compliment the presentation here.  
 10 It's very reassuring, but it may be pertinent to mention to  
 11 you that I've been working with -- on a watershedwide basis  
 12 with ag drainers, wetland drainers and water contractors in  
 13 the San Joaquin River watershed on an approach to greatly  
 14 reduce -- improving the water quality in the San Joaquin  
 15 River and it looks very promising and we'd be happy to  
 16 discuss it with you.

17 MR. OTT: Thank you, Alex.

18 CHAIRMAN MADIGAN: Okay.

19 Anybody else?

20 All right. Mr. Yaeger.

21 Thank you, sir.

22 MR. YAEGER: I'd like to introduce Stein  
 23 Buer now and he is going to lead us through some  
 24 discussions of the process that they are using to work on  
 25 the storage conveyance component.

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1 Stein.

2 STEIN BUER: Thank you, Steve.

3 Well, the storage and conveyance are finally

4 processed, it involves applying analytical tools to

5 determining the operating rules and combinations of

6 facilities that will meet CalFed's goals.

7 I have laid out a fairly simple timeline. This

8 is the first time we have talked about this portion of the

9 program before CalFed.

10 Essentially we are in a fairly fast paced

11 portion right now, trying to get up to speed and get going

12 with the technical underpinnings of refining alternatives.

13 We are starting in a fairly crude way to get a

14 handle on the process and then moving forward with more and

15 more detailed tools and assumptions.

16 At this point I think I'd like to talk a little

17 bit about the vision.

18 It's a little bit different from the kind of

19 vision statements you've heard from the other work plans in

20 that I think it's very important that the storage and

21 conveyance refinement process recognize that we are really

22 a tool for the larger process, to answer the question "What

23 are the consequences of the decisions that are made

24 overall?"

25 In other words, what kinds of components and

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1 operating rules would serve best to achieve the goals of

2 the program?

3 Accordingly, we've drafted this vision

4 statement for this component, which I'll just read as you

5 see it up there. "In close cooperation with other CalFed

6 activities, refine combinations of conveyance and storage

7 components which will meet CalFed goals".

8 I think I really want to emphasize that the

9 storage and conveyance refinement process in the microcosm

10 takes on a number of the issues of the larger process.

11 That is, as we tried to model what will happen

12 systemwide with various components, we have to confront

13 many of the issues that are being grappled with in these

14 other work groups.

15 Accordingly, how do we go about making sure

16 that the assumptions that we use in modeling the overall

17 system reflect the input of the larger program. It's

18 important that this be fair and open and that it represents

19 all interests.

20 That takes time, of course, and in order to get

21 the process started the initial set of assumptions that we

22 have started to work with basically hold fairly close to

23 the existing system.

24 That is, we have assumed that the existing

25 Bay-Delta standards are in place and some fairly

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1 conservative assumptions about what the rules would be for

2 allowing us to divert water from the system for additional

3 water supply opportunities.

4 This slide summarizes some of the steps that we

5 would go through in the initial refinement process, which

6 is really underway at this point.

7 The first is the bundling of operating rules.

8 The point here is that there are a countless

9 number of possible combinations of rules by which you could

10 operate the system and depending on what rules you pick you

11 would end up with different solutions in terms of optimal

12 facilities to achieve those goals.

13 It is, therefore, important that the CalFed

14 process provide a mechanism for bundling those rules into a

15 fairly small number of discreet packages in which the rules

16 are compatible and work together to achieve specific goals.

17 The other alternative would be that we, as a

18 modeling group, as a technical group, would be peppered

19 with proposals from all sides and have lots and lots and

20 lots of evaluations without a lot of coherence. The number

21 of modeling runs grows very rapidly with the various

22 options that you might want to consider.

23 So it's very important to bundle these into a

24 relatively small number of packages of assumptions at least

25 to begin with.

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1 Earlier in the process the suggested tool of

2 choice is the DWRSIM which is a system simulation model

3 that takes into consideration essentially all of the

4 Central Valley's hydrology and operation of the various

5 water projects.

6 That gives us a very crude tool for evaluating

7 how the system would respond given a set of operating rules

8 and new facilities.

9 Given the short timeline we are working on we

10 are also using a spreadsheet post processing to do what if

11 scenarios and to do sensitivity analyses around proposed

12 combinations of facilities.

13 At the same time we are working to develop an

14 inventory of existing facilities, primarily based on

15 previous reports and information and trying to bring that

16 into a consistent format and using more recent updates of

17 dollar amounts so that we have a fair basis for comparison

18 as we look at how these potential facilities and locations

19 might fit together in the future system.

20 And we would combine the modeling information

21 and the cost information to provide some initial feedback

22 to this group and to the CalFed process as to what sizes of

23 components might fit together well.

24 For example, with a proposal for north of Delta

25 storage it may be coupled with a certain size pumping

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1 facility that would be a cost effective combination, a  
 2 certain kind of Delta conveyance alternative, and perhaps  
 3 south of Delta storage.  
 4 There are many possible combinations,  
 5 obviously, and the idea is to narrow down the choice so  
 6 that we can focus and do indepth analyses on solutions that  
 7 make sense in the context of meeting CalFed's overall  
 8 needs.  
 9 I think there is a need overall in the process  
 10 for a way of providing feedback, as we explore various  
 11 assumptions in how the system operates, as I said early on,  
 12 I think our group, the storage and conveyance confinement  
 13 team can provide feedback and say "Well, here are the  
 14 consequences in terms of costs, water supply opportunities  
 15 and facilities to meet those goals", but as we get into the  
 16 environmental analysis of the Phase II programmatic  
 17 EIR/EIS, we have to make sure that the assumptions  
 18 underlying the more refined process are reflective of the  
 19 assumptions for the entire environmental documentation  
 20 process.  
 21 This will require close and careful  
 22 coordination with the other work groups and the technical  
 23 teams to assure that they are all working with the same set  
 24 of assumptions and conceptions.  
 25 The process is iterative.

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1 To get things going, as I said, we are starting  
 2 with a fairly crude set of tools and going through analysis  
 3 that can start providing feedback to the various work  
 4 groups in the process but ultimately it won't be sufficient  
 5 to use a tool like DWRSIM, which is essentially a water  
 6 balance model. We have to look at water quality in the  
 7 Delta, hydrodynamics, the consequences up and downstream  
 8 and, of course, the relationship with the various other  
 9 resources.  
 10 Listed here, some of the key tools that I  
 11 expect that we'll be using.  
 12 Just going through the processor here, bundling  
 13 of refined operating rules. Again, I think even as we get  
 14 into Phase II of the process it's still important to try to  
 15 restrict a number of sets of rules that we try to operate  
 16 by.  
 17 We would have to go in and do a detailed  
 18 simulation of the changes in Delta geometry associated with  
 19 the various alternatives.  
 20 Then there is a tool that you may not have  
 21 heard about before which I'll just mention in passing, the  
 22 artificial neuro network, which is a way of quickly  
 23 simulating the effects of changes in Delta geometry and  
 24 inserting that into DWRSIM so that you have an accurate  
 25 representation of the impact of the different alternatives

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1 on Delta salinity and hydrodynamics.  
 2 Beyond the simulation of the system as a whole  
 3 and Delta hydrodynamics we will have to look at salinity  
 4 transport, article tracking and trihalomethane precursors  
 5 and a number of other things.  
 6 So I guess the message I want to leave you with  
 7 is that you recognize that all of these factors have to be  
 8 looked at very carefully as the process goes forward.  
 9 So I see it as an iterative process whereby we  
 10 can provide useful feedback early on. But as we move  
 11 forward we will need to continuously refine and improve the  
 12 tools, the modeling assumptions and the level of detail.  
 13 Any questions?  
 14 MR. YAEGER: I think that was a fairly  
 15 technical presentation, and we promise not to get that  
 16 technical in future presentations, but I wanted to give you  
 17 a sense of the type of challenges we have from a technical  
 18 sense, especially the storage and conveyance arena.  
 19 We will be bringing back information from all  
 20 of the studies that Stein has been describing for you to  
 21 give you a better feel for the alternatives and how they  
 22 provide benefits, both in water supply opportunities for  
 23 fisheries and for consumptive use and in the water quality  
 24 arena.  
 25 If we have time for some questions, we can

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1 field some questions on the presentation of storage and  
 2 conveyance or whatever your pleasure is.  
 3 MS. MCPEAK: Mike has left and so we are  
 4 going to try to -- this is the last Agenda item. We are  
 5 going to go through the questions that you all have and  
 6 then conclude the meeting but Mike had to get to a plane  
 7 so, Bob.  
 8 MR. RAAB: Steve, allusions were made to  
 9 the system and to bundling operating rules and I am  
 10 wondering what the antecedent organization or number of  
 11 water projects are involved in all of this re-operation, if  
 12 you will.  
 13 Is this a Central Valley project and State  
 14 water project?  
 15 MR. YAEGER: We're working with the  
 16 Central Valley Project and State Water Project.  
 17 MR. RAAB: Plus any others?  
 18 MR. YAEGER: The other water systems are  
 19 operated by the model. Essentially we use information from  
 20 those systems as to how they have traditionally operated  
 21 and so forth, but any looks that we take at re-operation,  
 22 for instance, to improve the fishery situation, that those  
 23 re-operations are implemented on the State Water Project  
 24 and the CVP only.  
 25 MR. RAAB: So it's only -- there is no

1 proposal or are you taking a look at the possibilities of  
2 having a consortium of the kind electric power companies  
3 have whereby you cooperate closely, let us say, in  
4 achieving a water quality level at a given time in the  
5 Delta by releases that would involve more than just the two  
6 largest projects?

7 MR. YAEGER: The way that the process is  
8 moving is that we will use the CVP and SWP re-operations as  
9 the basis of looking at alternatives, how there are certain  
10 elements of the alternatives that will impact the  
11 re-operation.

12 For instance, the proposal to develop  
13 additional water on the San Joaquin system for both  
14 fisheries and water quality and we'll be looking at that  
15 issue as part of the model in an analysis, also, but  
16 strictly within that core State Water Project CVP and any  
17 of the add on type options that may affect the operation of  
18 some of the tributaries.

19 MR. HILDEBRAND: Steve, how you going to  
20 handle in these analyses such things as the south Delta  
21 program including the change in like the Clifton Court and  
22 the south Delta barriers?

23 MR. YAEGER: The initial studies will not  
24 include some of the elements of the South Delta interim  
25 program.

1 We will not be looking at the additional intake  
2 at Clifton Court but as I described to Bob earlier, in  
3 subsequent studies we will be looking at the impacts and  
4 the benefits of some of these add on options like ways to  
5 increase the stage in the South Delta channels and to take  
6 care of some of those problems that are addressed by the  
7 South Delta interim program.

8 MR. HILDEBRAND: Well, the South Delta  
9 barriers are not very speculative. They are actually going  
10 in on a temporary basis now and they are going to have to  
11 go in to settle our lawsuit and they do have a major effect  
12 on both the fishery and the water quality as well as the  
13 water elevation so that it seems to me that although you  
14 may have to model the base case without them, the realistic  
15 situation is going to be with them.

16 MR. YAEGER: Yeah, I agree. That issue  
17 needs to be addressed in our studies and we will be looking  
18 at all of the various proposals that were part of that  
19 program to deal with the stage and water quality issues in  
20 the south Delta channels.

21 MS. McPEAK: Are there other questions of  
22 BDAC members?

23 All right. Then we'll move into the public  
24 comment and take your question first, to Steve.

25 If you'd come forward.

1 LINDA COLE: I have a question regarding  
2 your modeling and your anticipated programs.

3 In the meetings I've been in earlier they  
4 talked about accepting the fact that the water bank program  
5 was an existing condition, and so I'm wondering if you are  
6 factoring that into the cumulative effects on groundwater  
7 and also whether your modeling is going to be looking for  
8 subsidence?

9 MR. YAEGER: Could you tell us which  
10 meetings you are referring to that this was discussed?

11 LINDA COLE: It was in nonproject meetings  
12 and they had a list of existing programs that they were  
13 going to factor in as potential for resolving some of the  
14 problems, say, if there wasn't a project.

15 And so since both the drought water bank  
16 program EIR talks about water bank and then they come back  
17 and even though there are problems and it says they are  
18 going to be modeling -- or they are going to be measuring  
19 for subsidence in all of these things, in fact, they didn't  
20 do it. There was no provision for that.

21 And so every time I see these scenarios being  
22 run I want to see some mention and some provision for that.

23 And I saw your modeling talks about many other  
24 things, but I am looking for some reassurance.

25 MR. YAEGER: Okay. I think the meetings

1 you are talking about were the preliminary Workshops on the  
2 environmental documentation phase of the program and,  
3 specifically describing what was going to be in the no  
4 project alternative.

5 So I think they were throwing out different  
6 projects that could be considered as part of that.

7 I don't know exactly where they are in that  
8 process in defining no project.

9 If Breitenbach is here, maybe he can give us  
10 some information on that.

11 But as far as the benchmark that we are using  
12 for modeling of the storage and conveyance, the drought  
13 water bank is not part of that benchmark.

14 Again, since water banks are part of some of  
15 the alternatives when we get to looking at specific  
16 alternatives, we will be modeling some groundwater programs  
17 that will be similar to those that were implemented during  
18 the drought water bank.

19 LINDA COLE: (inaudible)

20 MS. McPEAK: You can't -- you need  
21 to -- one more question.

22 This is under Public Comment and we would also  
23 like the audience to submit the questions in writing so  
24 that we can address them.

25 MR. YAEGER: But your question was whether

1 we would also be modeling subsidence as part of that?  
 2 LINDA COLE: Yeah.  
 3 MR. YAEGER: As part of our analysis of  
 4 impacts on the alternatives we will be looking at the  
 5 subsidence part of any impacts that will be associated with  
 6 alternatives that had groundwater programs in them, yes.  
 7 LINDA COLE: Okay.  
 8 Thank you.  
 9 MS. MCPEAK: Gary.  
 10 I'm going to call on individuals under this  
 11 last Public Comment period, those who have not spoken  
 12 before and then we'll go through the list of those who did  
 13 sign up and all of whom of spoken at least once before.  
 14 Gary.  
 15 MS. MCPEAK: And I'm going to signal you  
 16 in three minutes so you can start concluding, you notice  
 17 you are to be in a three to five minute comment period.  
 18 GARY BOBKER: I just wanted to mention  
 19 that I think that this broader question of the benchmark  
 20 and the baselines is real important.  
 21 I mean, it's one thing to get to the point  
 22 where we are looking at the impact analysis of the various  
 23 actions proposed as part of implementation of the CalFed  
 24 Program but the assumptions we are making about the  
 25 baseline situation is extremely critical, both in terms of

1 erosion that are coming from the hills and Pinoche Creek  
 2 area with the contaminants of 489 parts of selenium coming  
 3 down by way of dissolved solids as solids.  
 4 There is boron, selenium, salinity. That's all  
 5 dumping into the Mendota pool that feeds the Central Valley  
 6 region for irrigation purposes.  
 7 Is there some way that we can control those  
 8 waters?  
 9 MR. YAEGER: We haven't specifically  
 10 looked at that at this point, but the water quality  
 11 committee is looking to some of those constituents.  
 12 (Inaudible)  
 13 MR. YAEGER: And Ron is indicating under  
 14 the watershed management programs we are going to be  
 15 looking at those kinds of factors and their impact on some  
 16 of the water quality constituents for both the --  
 17 ED PETRY: I've been involved with that in  
 18 the watershed in the Pinoche Hills and they don't seem to  
 19 be making much progress.  
 20 We did have a discussion yesterday about it and  
 21 we did take a tour of the hills.  
 22 We found that there was very many illusive  
 23 soils that erode and wash and those fall down in the lower  
 24 confluence of McCary (inaudible), the heavy flood flows on  
 25 the lower confluence. That dumps into the Mendota Pool.

1 the baseline, the current baseline of regulatory  
 2 requirements combined with physical constraints that form  
 3 one kind of baseline.  
 4 Also, assumptions about not only the current  
 5 operations outside the Delta and outside the two projects  
 6 but current and future operations upstream, and I think  
 7 it's important for us maybe to have that -- some discussion  
 8 of that in terms of baseline and no action alternatives in  
 9 the near future at the BDAC meetings, have a little more  
 10 description of that.  
 11 MS. MCPEAK: Thank you.  
 12 You were within two minutes. Great.  
 13 Anyone else?  
 14 Mr. Petry.  
 15 MR. PETRY: Yes, Mr. Yaeger. I have a  
 16 question for you.  
 17 But, first, if we all understand, I think we  
 18 do, that the further away your source of supply of water  
 19 come from, more problems you have with contaminants unless  
 20 you have water quality crop.  
 21 With water quality control than the further  
 22 away your source of water supply comes the more benefit are  
 23 the uses you have out of it.  
 24 My question is to Steve. Is there any  
 25 procedure, is there any way that we could control the

1 They haven't had too much luck with that at this point in  
 2 time.  
 3 Thank you.  
 4 MS. MCPEAK: Thank you.  
 5 Is there anyone else under Public Comment?  
 6 All right then.  
 7 Be reminded that the meeting that is now being  
 8 scheduled in October is the 25th and will include those  
 9 items that we did not get to today as well as a couple of  
 10 the other issues that were raised.  
 11 And before Mike left he asked the issue of  
 12 water transfers and I think the question about the overall  
 13 how agricultural's concerns are being addressed here. He  
 14 also wanted on the table.  
 15 So anything else to be raised by the BDAC  
 16 members?  
 17 (No response)  
 18 Lester, what time are you going to start the  
 19 meeting on the 25th?  
 20 EXECUTIVE DIRECTOR SNOW: We normally  
 21 would start at ten o'clock and I presume we would try to go  
 22 with that.  
 23 We obviously do not have a location to announce  
 24 at this point but we'll try to resolve that early next week  
 25 and get a notice out.

1 MS. McPEAK: All right.  
 2 Thank you, all.  
 3 We are hereby adjourned.  
 4 Have a safe journey home.  
 5  
 6 (Whereupon the BDAC Meeting recessed at 4:30 p.m.)  
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 2 COUNTY OF SAN JOAQUIN } ss.  
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 8 the giving of such testimony; that I thereafter transcribed  
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