

**Draft**  
**BDAC MEETING SUMMARY**  
**OCTOBER 25, 1996**  
**SACRAMENTO CONVENTION CENTER**  
**10:00 AM TO 5:00 PM**

**1. WELCOME AND INTRODUCTIONS (MIKE MADIGAN)**

Chair Mike Madigan welcomed new BDAC member Marcia Brockbank of the San Francisco Estuary Project and noted that Wayne White would substitute for Roger Patterson (U.S. Bureau of Reclamation) for this meeting. Attachment 1 lists the BDAC members and Attachment 2 lists the members of the public who attended the meeting.

**2. STEPS IN THE PHASE II PROCESS (LESTER SNOW)**

**Presentation**

CALFED Program Manager Lester Snow reviewed the current schedule for Phase II and presented a flowchart for this phase. The flowchart was included in the white paper titled "Overview of CALFED Phase II Process" in the October 25th BDAC meeting packet. Lester Snow noted that there is a need to ensure enough time for public review and comment in steps one and two. An updated schedule for Phase II will be available for the November BDAC meeting.

BDAC activities in Phase II, explained Lester Snow, include discussion and advice at the Work Group level, discussion of policy issues in the full BDAC and advice before and after the publication of the draft programmatic Environmental Impact Report/Statement (EIR/S).

**Discussion Points**

- BDAC member Ann Notthoff remarked that stakeholders need to know the adjustments to timing of steps 1 and 2 and encouraged that Alternative Refinement be extended beyond March, 1997. Later in the discussion, BDAC member Mary Selkirk agreed that extending the Alternative Refinement timeline would be beneficial.
- BDAC member Alex Hildebrand expressed that Alternatives Two and Three are clusters of alternatives for water storage and conveyance which are not clearly defined and inquired as to when BDAC would consider more refined alternatives. In reply, Lester Snow indicated we should be able to provide more detail at upcoming BDAC meetings early next year.
- BDAC member Mike Stearns inquired as to whether water supply reliability is dependent on water use efficiency. Lester Snow replied that the reliability issue is addressed in all four common programs to varying degrees.
- Mr. Hildebrand asked when analysis about who benefits from new water yields and the timing of those yields would be brought before BDAC. Lester Snow indicated that opportunities would occur during Steps 3 and 4 in Phase II.

**Public Comment**

- Gary Bobker (Bay Institute) expressed support for lengthening the timeline of Phase II

and noted that a lengthy process for Phase I had beneficial results. He also noted that more agreement was needed on modeling for impacts and that the Ecosystem Restoration and Water Use Efficiency common programs needed better definition.

### **3. THE SCOPE AND BREADTH OF THE WATER USE EFFICIENCY COMPONENT (RICK SOEHREN)**

Ms. Selkirk requested and the Chair agreed to reverse agenda items 3 and 4 so that water use efficiency was discussed prior to water transfers.

#### **Presentation**

Rick Soehren (CALFED Program staff) explained that the Water Use Efficiency Work Group is looking at efficiency broadly in an attempt to gain the greatest benefit per unit of water. His presentation followed the Water Use Efficiency Issue Paper provided in the meeting packet. Mr. Soehren noted that water transfers may be a voluntary market mechanism to use water efficiently.

#### **Discussions Points**

- BDAC members Robert Meacher and Judith Redmond discussed the geographic scope of the area addressed by actions for water use efficiency. Lester Snow noted that they are to begin at the point of diversion or pumping.
- Ms. Selkirk expressed that this is an opportunity to include factors such as environmental and social benefit into the discussion. She noted that it may be possible to move towards a more supportable and rational approach to pricing water.
- BDAC members Richard Izmirian, Stu Pyle, Rosemary Kamei and David Guy discussed the terms "greatest utility" and "efficiency." Points raised included concern by Mr. Izmirian that measures should be discussed to best achieve a Bay-Delta solution rather than the greatest utility per unit of water. Mr. Pyle, Ms. Kamei and Mr. Guy expressed concern about the term "efficiency" and suggested that the term "water management" would more accurately convey the breadth of the program. Mr. Pyle and Ms. Kamei noted that the term "efficiency" has a particular meaning and use and is associated with measures whose results can be numerically quantified.
- Ms. Kamei remarked that at the Bay Area Water Policy Forum, persons further from the CALFED process are becoming concerned about proposals for water use efficiency measures in the urban sector because they are not aware CALFED measures for the Agriculture and Environmental sectors.
- Mr. Hildebrand stated he did not see difficulty with reuse and conservation of water and increasing yield. He questioned the sustainability of long-term allocation of water for environmental purposes when the state's population is estimated to grow by 20 million people. He suggested that there will be competition for water between the urban and

agricultural sectors and food costs will increase as the price of water increases.

- Mr. Hildebrand then questioned the impact of water transfers and cited a recent decision by the U.S. Bureau of Reclamation and the Merced Irrigation District that might encroach on the riparian rights of downstream users.
- Mr. Hildebrand then proposed a motion that the CALFED Program not undertake programs that would result in a net loss to long-term food production. BDAC member Pat McCarty seconded. BDAC member Eric Hasseltine stated that while there was merit in the ideas behind Mr. Hildebrand's motion, it was premature to make such a motion. He moved to table Mr. Hildebrand's motion. Ms. Kamei seconded.

Discussion ensued regarding the motions. Mr. Meacher asked for a point of order regarding whether or not BDAC votes on issues and Chair Madigan stated that the Committee has in the past worked towards consensus and he did not see this as time to change. Mr. Izmirian expressed interest in discussing underlying assumptions of Mr. Hildebrand's motion. Lester Snow addressed part of Mr. Hildebrand's motion and indicated that a broad discussion of California's role in providing part of the world's food and fiber needs was not within the scope of the CALFED Program. He remarked that the CALFED Program has established that the efficient use of water is in the best interest of the State. CALFED, Lester Snow stated, is not contemplating forced reallocation of water, however it may be that water transfers in a free market may reallocate large amounts over time. Mr. Hildebrand remarked on what conditions free markets for water may or may not exist and concluded by stating that water transfers are not necessary to force water use efficiency. Chair Madigan called for a vote on the second motion to table the first motion. It was passed by hand vote.

- Ms. Notthoff noted that CALFED is operating within several legal mandates. She agreed with using market mechanisms for encouraging efficiency and suggested regulatory and land retirement programs be considered as well. In response, Lester Snow stated that land retirement was being considered as part of the water quality common program.
- Mr. Dunning referred back to Mr. Pyle's earlier concern regarding using "efficiency" as a title for the common program. It was his belief that if "efficiency" included economic efficiency then such use was appropriate. Mr. Pyle responded that he agreed with Mr. Dunning. Mr. Pyle continued to be concerned that efficiency be tied to technical options and that water management be dealt with in another forum. Chair Madigan noted that water management will run across work group boundaries.
- Referring back to Mr. Hildebrand's tabled motion, Ms. Selkirk noted that the underlying assumption that less water for agricultural purposes equals less agricultural production needs discussion. She reiterated that it is incumbent on all stakeholders to consider pricing and conservation efficiency.
- Ms. Kamei added that many tools are available to use water more efficiently and that any

decision on land retirement is more appropriately made at the local level.

- Mr. Stearns noted that there needs to be accountability of the use of water and that more than a single use can occur within a location. It is important to educate ourselves to determine if one use is more important than another use.
- BDAC member Steve Hall followed with the comment that it is important that CALFED use existing processes such as AB3616 as the issues being discussed today have been brought up in other forums. A new water use efficiency topic would be the use of water for environmental purposes.
- Ms. Selkirk and Mr. Hall further discussed environmental uses. Points raised were that the adaptive management strategy for the Ecosystem Restoration Common Program will require a review of flows to achieve a certain level of ecosystem health. Also the geographic scope of the solution area includes wildlife refuges and refuge use of water should be examined. Lester Snow noted that process for analyzing wetlands water management is underway.

#### **Public Comment**

- Ronnie Cohen (Natural Resources Defense Council) conveyed general support of the Water Use Efficiency Common Program as presented. She noted that her organization supports using market mechanisms to achieve use efficiency, but that there are presently distortions in the price of water including subsidies to agriculture. She also noted the need for regulatory approaches to achieve efficiency. She further stated that a targeted land retirement program may achieve more of the CALFED goals and that impacts from land retirement should be part of the environmental impact analysis.
- Tom Zuckerman (Central Delta Water Agency) questioned why CALFED is considering land transfer or water supply reliability. He urged that CALFED stay focused on solving Bay-Delta problems.
- James McCloud (Banta-Carbona Irrigation District) stated that efficiencies in agricultural water use have already occurred. He also noted that everyone has benefitted from subsidies and that subsidies for other activities such as water treatment occur. He raised two questions - one of wanting to know how much more water is needed from the agricultural sector and another of whether cities were using water as efficiently as agriculture.
- Brad Shinn (Farm Water Coalition) questioned whether efficient use of water would determine the highest and best use of water. He stated that land retirement should not be discussed. Another point he made is that all water users in some way are subsidized.
- Polly Smith (League of Women Voters) expressed support for the overall water use efficiency program. She stated that land retirement should be considered as a tool for this

program. Voluntary incentives should be included as well.

- Several points were included in Steve Ottomoeller's (Westlands Water District) comments. One was that water transfers are going to happen and that CALFED should provide for them, but not try to predetermine how they might occur. Another point was that when water is dedicated to an environmental purpose, it should be likely that the water will achieve that purpose. Lastly, Mr. Ottomoeller stated that trying to increase efficiency in the areas receiving imported water will bring marginal results as producers in those areas are already using water efficiently.
- Michael Jackson (Regional Council of Rural Counties) urged CALFED to closely look at efficiencies in the urban sector. He also expressed concern about the narrowness of language and the effect on transfers, flow and fish in the Delta.
- Linda Cole (Valley Water Protection Association) agreed that there is a social value to water. She also urged CALFED to look at the social and environmental impacts of water transfers in both sending and receiving areas.

Ms. Redmond, chair of the Work Group made several points. She expressed that issues of sustainability will impact us. She further stated that there are existing land retirement programs. It is important that CALFED look at the assumption that water from retired lands will be available for other CALFED purposes. She said that the Work Group will continue to discuss the broad approach to water use efficiency. Finally, she noted that markets do not always make the wisest decision on the use of water.

Lester Snow remarked that it is the integration of all the components of the CALFED program that together must meet the Solution Principles. A discussion on how component integration can help achieve the solution principles is likely to be part of the November agenda.

#### **4. THE ROLE OF WATER TRANSFERS AS PART OF THE BAY-DELTA SOLUTION (LESTER SNOW)**

##### **Presentation**

After the lunch break, Lester Snow presented material from the agenda packet on the conditions for water transfers set forth in the Governor's policy of April, 1992 and in the Central Valley Project Improvement Act. He noted that CALFED to date has assumed that any proposed transfers would comply with these conditions.

##### **Discussion Points**

Discussion among Mr. Meacher, Ms. Kamei, Mr. Guy, Mr. Dunning generally supported the conditions. Mr. Meacher suggested that the language of the fifth condition be modified to add "unmitigated social impacts to local communities." Lester Snow agreed that the proposed modification could be made. Ms. Kamei suggested an addition to Mr. Meacher's modification which is to consider impacts to communities in both sending and receiving areas. She further suggested adding some language on the relationship of water transfers to water banking, and also

adding language to create an appeals process. Mr. Guy suggested adding to the first condition a phrase that more explicitly protects the holders of water rights and Lester Snow agreed. Mr. Dunning noted that state and federal law already exists regulating water transfers and that it is not necessary to re-write that law.

- Mr. Hildebrand observed that there seems to be a lack of enforcement of conditions for water transfers at the present time. Assurances would be needed for these conditions to be acceptable.
- Mr. Pyle generally agreed with the conditions. He explained that there is a gap in the statutes regarding persons who may seek to transfer some water without regard to water rights or circumstances within their water district and that legislation is proposed to address this situation. He recommended that the system used to transfer water between the State Water Project and the Central Valley Project and other water systems be improved.
- Mr. Izmirian asked for clarification as to whether existing transfers that harm fish and wildlife would be discontinued. Lester Snow responded that the conditions will apply to future transfers to prevent future harm and not to present circumstances.

#### **Public Comment**

- Ed Petry (Mendota) expressed general support for water transfers. He noted however that in his area additional storage would be necessary to make up for negative impacts if water was transferred from the Mendota pool.
- Mr. Jackson expressed concern that the water transfer policy was being discussed in only one meeting of BDAC and that third party impacts from transfers was inadequately addressed.
- Mr. Ottemoeller noted that guidance on how to manage water transfers through the Delta already exists. To "fix" all transfers is beyond the scope of CALFED. He also inquired as to how the conditions for water transfers will be used. Lester Snow responded that if you assume that transfers are part of the water scenario and will continue to be part of the water scenario, then that must be evaluated as proposals for storage, diversion, habitat and other aspects of the system move forward.

BDAC member Don Bransford noted that there previously have been user initiated transfers as well as water rights holder transfers. He stated that holders of water rights should be at the table when transfers are discussed.

Discussion about water transfer policy continued among BDAC members Mr. Hildebrand, Mr. Dunning, Ms. Notthoff and Ms. Redmond. Mr. Hildebrand noted that the Governor's transfer policy requires looking at the cumulative impacts resulting from transfers. Mr. Dunning stated that transfers will occur according to existing law. Ms. Redmond responded that while she

agreed with the five principles, water transfers are not complying with policy now. Would this mean that CALFED should propose new legislation inquired Mr. Dunning. Ms. Redmond responded that rather than CALFED, it is groups that had supported this policy that should support future legislation implementing the policy.

To ensure agenda items held over from the September 20th meeting would be heard, Item # Five Program Durability was discussed later in the day.

## **5. FINANCIAL STRATEGY COMPONENT (ZACH McREYNOLDS)**

### **Presentation**

Zach McReynolds (CALFED program staff) reviewed the issues under discussion by the finance technical group and also under consideration by the Finance Work Group. These issues include identifying the financial participants, estimating the cost estimates, identifying economic incentives, considering revenue alternatives, identifying institutional needs exist, and allocating costs.

For the Finance Work Group, Mr. Hasseltine reviewed discussion to date. His first point was that the financing will influence formulation of the preferred program alternative. He noted that the financial participants will be the beneficiaries. Cost estimates will include capital, operation and maintenance, administration, and enforcement costs.

Mr. Hasseltine reported that the Work Group expects the big issue to be cost allocation. Criteria to be used for allocation include indirect and direct benefits received, financial capability, fairness and equity.

Revenue sources that the Work Group is considering include federal and state appropriations and private and user sources. Mr. Hasseltine noted that a needed assurance is that the money raised is spent on the intended action.

The next step for the Work Group is to discuss financing examples. The first will be financing for a possible Sites Reservoir.

### **Public Comment**

- Mr. Petry stated that while he will vote for Prop. 204, it does not address the need for more storage facilities.

## **6. LEVEE SYSTEM INTEGRITY COMPONENT (CURT SCHMUTTE)**

### **Presentation**

Curt Schmutte (CALFED program staff) started his presentation with a vision for the levee system consisting of reliable levees, habitat and recreation opportunities, efficient environmentally sensitive, cessation of land subsidence, and an emergency response system. He noted that the Levee Improvement Plan will address the following; levee subventions, emergency response, habitat, flood control, subsidence and the beneficial reuse of dredge spoils.

The planning effort builds upon the existing SB 34 program begun in 1988; a levee and channel technical team is now functioning. Issues that the technical team has identified and that will be considered are constraints on the timing of channel dredging, conflicts related to enhancing habitat on the waterside of levees, impacts from boat wakes, seismic risk, and establishing priorities for work on flood control, habitat, subsidence, and recreation.

#### **Discussion Points**

- Mr. Dunning inquired as to whether the technical team is examining the long-term future for farming in the Delta. Mr. Schmutte replied affirmatively and noted that a Geographic Information System of organic soils prone to subsidence and the vulnerability of levees is being prepared. This will be used to target efforts such as levee capping and shallow flooding.
- Mr. Hildebrand had several comments. He inquired as to how this work meshed with that of the Delta Protection Commission. He remarked that the confluence of the San Joaquin River and the Delta might be a source of fill material. He also noted that it takes more water in general for ecosystem restoration than for agricultural purposes
- Mr. Pyle inquired as to how in-Delta storage or other conveyance and storage options are being considered. Mr. Schmutte responded that it is expected these will be considered after the preferred alternative is selected and project prioritization is established.
- Mr. Raab inquired whether a cost/benefit analysis will be used to determine which levees to repair. Mr. Schmutte said that an impact matrix will be used rather than strict cost/benefit analysis.
- Mr. McCarty mentioned that the Delta Protection Commission is also reviewing priorities for projects. He stated that there is a need for a uniform standard for levee integrity throughout the Delta.

Mr. Schmutte noted in response that there are two sources of funds for work in the Delta and that all uses will be addressed. Due to project prioritization, some projects will be conducted before others.

#### **7. PUBLIC OUTREACH UPDATE (MARY KELLEY)**

##### **Presentation**

Mary Kelley (CALFED program staff) reviewed recent outreach activities. A speaker's bureau is now functioning. CALFED staff participated in three conferences sponsored by the League of California Cities. In the near future CALFED will host several half-day workshops oriented to entities with technical expertise. Also occurring will be 14 2-hour public meetings around the state to receive input from the general public.

Ms. Kelley requested BDAC members to complete a two page response form to gather more suggestions for public outreach.

## **8. STATUS OF FEDERAL LEGISLATION**

Wayne White, substituting for Roger Patterson, reported that the California Bay-Delta Enhancement and Water Security Act was passed as part of the Department of Defense appropriation bill. The Act authorizes up to \$443 million for CALFED activities. The availability of funds is contingent on passage of Proposition 204 on the California ballot. Lester Snow and Chair Madigan noted that this came as a result of the work of a diverse coalition of interests.

### **Public Comment**

- Jason Peltier (Central Valley Project Water Association) agreed that a diverse coalition was important for bill passage. He went on to state that the bill only authorizes but does not appropriate funds. Another joint effort will be necessary for appropriation.

BDAC member Marcia Brockbank stated that Congress passed the National Invasive Species Act which authorized \$750,000 for nonindigenous species research and programs on the west coast. The President had yet to sign the bill as of the BDAC meeting.

## **9. PROGRAM DURABILITY (LESTER SNOW)**

### **Presentation**

Lester Snow described the context for the durability solution principle as presented in the white paper in the BDAC packet. He noted that the CALFED program is attempting to balance the Delta system, and that the Delta will play a role in the larger state water supply system but this effort is not being driven by the statewide water supply projections. The policy question that results from that position is whether that is a reasonable approach. Another question is that of the timeframe. Is it reasonable to try to design a process to endure beyond the analytical timeframe of 2020?

### **Discussion Points**

- Mr. Pyle, Ms. Selkirk, and Mr. Hildebrand all agreed that the open ended timeframe was reasonable.
- Mr. Hildebrand questioned the durability of limiting the view to the Delta system.
- Ms. Notthoff remarked that it is important to also keep restoration of the Bay part of the estuary as part of the solution.
- Mr. Pyle noted that it will likely be necessary to revisit water operations regularly, similar to adaptive management for ecosystem restoration.

### **Public Comment**

- Mr. Petry reviewed several of the problems facing the Mendota area including contamination of the aquifer, agricultural drainage, and sedimentation. He noted that funding is urgently needed.

- Bill Bechard (unaffiliated), a water resources engineer, spoke to support both of the points raised by Lester Snow. However, he also noted that the solutions should not preclude additional water supply development in the future.

Ms. Selkirk requested that there be more carefully defined ground rules and some agreement on what constitutes consensus. Chair Madigan suggested that this be handled carefully because informal process has worked so far for BDAC. He mentioned that Lester Snow had taken down Ms. Selkirk's comment.

Ms. Notthoff suggested that controversial agenda items be grouped together, to make it easier for the general public to attend BDAC meetings and plan their schedules.

Chair Madigan then adjourned the meeting.