

BDAC MEETING SUMMARY
JANUARY 30, 1997
SACRAMENTO CONVENTION CENTER
10:00 AM to 5:00 PM

OUTCOMES FROM BDAC DELIBERATIONS

- As a result of the discussion between six BDAC members on the Phase II schedule, members representing environmental and northern California urban water agencies requested more time for review of the Ecosystem Restoration Program Plan. Members representing business and southern Californian water agencies requested that the schedule remain as proposed by staff. Lester Snow agreed to meet with interested BDAC members to discuss concerns regarding the schedule.
- As a result of the Water Quality Program discussion between twelve BDAC members, a majority supported coordination of CALFED watershed management activities with the State Water Resources Control Board and other entities including other CALFED agencies.
- The water use efficiency discussion highlighted fundamental differences between the ten members who spoke on the proposed approaches for increasing agricultural water use efficiencies. Agricultural representatives prefer an approach based on incentives and data collection, with no sanctions for non-compliance with the proposed efficient water management practices. The urban and environmental interests support the incentives but want them coupled with regulatory compliance measures. Staff believes that the interests are not as polarized as the discussion indicated and agreed to return to BDAC with a revised Program description.

1. WELCOME AND INTRODUCTIONS (Mike Madigan)

Chair Mike Madigan convened the meeting and welcomed BDAC members and members of the public. He reminded BDAC members of upcoming meetings on March 12th at the Beverly Garland Hotel in Sacramento and April 10th at a location in the Bay Area yet to be determined. Attachment 1 lists the BDAC members and Attachment 2 lists the members of the public who attended the meeting.

2. COMPONENT INTEGRATION AND PROGRAMMATIC LEVEL OF DETAIL (Lester Snow, Steve Yaeger, Rick Breitenbach)

Presentation

CALFED Program Manager Lester Snow opened this topic by reviewing the schedule for the remainder of Phase II. He noted the following milestone dates:

Selection of a preferred alternative	September, 1997
Comment period on the draft Environmental Impact Report/Environmental Impact Statement (EIR/S)	Nov. 1997 - Feb. 1998
Comment period on the final EIR/S	August - September, 1998
Federal Record of Decision/CEQA certification	November, 1998

Lester Snow continued by reviewing important decision periods for BDAC prior to the selection of a preferred alternative. To be considered in the April-June timeframe are a draft adaptive management strategy, draft facilities operation concepts, a draft financial strategy, as well as information on implementation assurances. For consideration during the August-October timeframe are the draft EIR/S (including a preferred alternative), a refined financial strategy, and a draft plan for implementation including a refined package of assurances.

Focusing on the April BDAC meeting, Lester Snow informed BDAC that the discussion questions for that meeting will be:

Is this an adequate set of alternatives to take into impact assessment?

Given the level of detail for the programmatic analysis, what assurances are needed to move the alternatives forward?

Discussion Points

- BDAC member Mary Selkirk presented concerns from some of the members of the Ecosystem Restoration Work Group that the pace of the CALFED Program could preclude adequate public review. Focusing on the Ecosystem Restoration Program Plan (ERPP), she questioned if there was adequate time for review as well as enough opportunity to build support among the public for the restoration program.

Discussion among BDAC members Ann Notthoff, Roberta Borgonovo, Alex Hildebrand, Jack Foley and Vice Chair Sunne McPeak followed. Concern was raised regarding the capability of CALFED to integrate the Program components, as well as the possible lack of time for adequate technical peer review, especially of the ERPP. Reaching agreement on a preferred alternative will require an analysis of the application of the solution principles, and cost effectiveness of both dollar expenditures and use of water. Many opportunities for public involvement will be available before the end of the process. Lester Snow agreed that solution principles analysis and a determination of cost effectiveness is necessary to finalize the preferred alternative. He also stated that the Program is intending to convene a "blue ribbon" panel to review the ERPP.

- BDAC member Tom Maddock inquired as to what kind of information would be made available as BDAC deliberates on recommendations to the Program. Lester Snow agreed to send out a list of all variables for impact analysis and to provide key categories of these variables.

- BDAC member Ray Remy asked about the probability of CALFED undertaking actions differing from BDAC recommendations. Lester Snow indicated that the final decision authority rests with the ten agencies that comprise CALFED. However, he thought it would be very unlikely that the CALFED decisions would differ significantly from BDAC recommendations because the agencies recognized the need for broad support for their decisions. Mike Mantell (Resources Agency) and Roger Patterson (U.S. Bureau of Reclamation) agreed with Mr. Snow. Mr. Mantell noted that it is important to know the areas of disagreement as well as agreement so that CALFED is aware of the range of BDAC members' concerns.

Public Comment

- Gary Bobker (The Bay Institute) summarized points in a letter to CALFED from the Environmental Water Caucus (EWC). The letter questions whether the current pace of the Program will allow all stakeholders to achieve a long-term solution using the appropriate tools. The EWC recommends:
 - 1) that an endpoint for ecosystem restoration be defined and that assessment methods and tools be agreed upon;
 - 2) that a more complete "toolbox" be used to achieve the long-term solution which includes water demand reduction and land retirement; and
 - 3) that the time be taken to do thorough review and not try to comply with artificial deadlines.

Presentation Continued

Steve Yaeger (CALFED Program staff) continued the staff presentation for Agenda Item #2. He explained the programmatic level of environmental impact analysis and discussed the necessity of program level environmental documentation. Among other features this includes the opportunity to consider a wide range of components, benefits and adverse impacts, promotes an understanding of system relationships and linkages, and provides for incremental agreements and decision-making. Mr. Yaeger then distinguished between operating concepts and operating criteria, the former being evaluated in Phase II, whereas the latter will be determined in Phase III.

3. STATUS REPORT AND ASSESSMENT ON THE FLOOD OF JANUARY 1997 (David Kennedy, Colonel David Peixotto)

Presentation

At this point in the meeting David Kennedy (Director of the California Department of Water Resources) arrived. Chair Madigan suspended discussion on Agenda Item #2 and requested that Mr. Kennedy and Col. David Peixotto (U.S. Army Corps of Engineers) present their overview on the January 1997 floods. Immediately prior to their presentations a video of flood areas was shown.

Mr. Kennedy began his presentation noting that the storm events were of historic proportions and resulted in the highest release on record from Oroville Dam. Levee failures that occurred in the Sacramento River system were due to seepage and not overtopping of levees. While the flood management system in the Sacramento River system worked as designed, the San Joaquin River system was designed to convey snowmelt waters and not to manage rain-induced floods. Cooperation among the agencies and in particular the U.S. Army Corps of Engineers (COE) was very high. The Governor has appointed a Flood Emergency Action Team with an initial report due on Feb. 10th and a follow-up report due in April, 1997. Mr. Kennedy noted it may be useful to consider establishing more bypass capacity in the San Joaquin River system.

Col. Peixotto also commented on the high interagency cooperation during the emergency. The Corps approach included responding to emergency levee breaks and initiating repairs on those breaks, preparing for the next water year including final levee repairs and non-structural actions, and conducting a long-term system-wide assessment. The Colonel noted that additional flood flow storage should be considered as well as improving the capability to predict flood flows after rain has arrived.

Discussion Points

- Mr. Patterson and Mr. Mantell noted the cooperation of state and federal agencies. Mr. Mantell also explained that the Governor directed the work of the Flood Emergency Action Team to be consistent with the CALFED Program.
- Ms. Selkirk inquired about long-term flood management measures that were being considered. Mr. Kennedy responded that historically these have focused on reservoirs, levees and bypasses and now measures including land use and ponding easements will be considered.
- Ms. Selkirk and BDAC member Robert Meacher asked who and what criteria will be used to prioritize levee repairs. Col. Peixotto stated that the Corps does a benefit/cost analysis and is seeking information as to where repairs are needed. Mr. Kennedy said that most breaks occurred on levees related to the State Water Project and the Central Valley Project. Breaks on privately maintained levees may not be repaired depending on outcomes from the analyses.
- Mr. Hildebrand complimented the agencies on effective coordination. He noted that there may be opportunities for bypasses in the San Joaquin River system. He also explained that the San Joaquin River Management Plan contains several project ideas related to flood management.
- BDAC member Tom Graff urged that an independent commission be set up similar to the Galloway Commission which reviewed response to the Mississippi River floods of 1993.

- BDAC member Stuart Pyle inquired about the status of the Delta and commented that this is an opportunity for data collection on flood management. Mr. Kennedy responded that most of the Delta fared well, particularly the levees in the SB 34 program.

The discussion among Ms. Notthoff, Mr. Mantell, Ms. Borgonovo, Mr. Kennedy, Mr. Patterson and Col. Peixotto focused on long-term planning. They generally concurred that experience from other parts of the country should be applied here. Improvements in weather prediction during storm events needs to be improved. Lowering the spillway at Folsom Dam is another action to be considered. Vice Chair McPeak asked about the fit between the CALFED effort and long-term flood management efforts.

Lester Snow presented material on the relationship of CALFED to flood management, particularly in the areas of storage, overflow areas, setback levees and habitat restoration at the time of levee fortification. He noted that CALFED has collected information on all off-stream storage sites within the solution area. He noted that off-stream storage provides flexibility to the water delivery system, including flexibility in managing flood flows. Lastly, he explained that off-stream storage could enable other reservoirs to increase their flood capacity while not losing the other water benefits.

- Vice Chair McPeak asked whether the flood flows were damaging to Delta species. Lester Snow and Dick Daniel (CALFED Program staff) replied that the flows were harmful only to non-native species and that the long-term effort is to have an ecosystem with sufficient resiliency.
- BDAC member Marcia Brockbank and Mr. Graff inquired about the implementation of recommendations from the Flood Emergency Action Team and how the use of storage capacity will be determined. Lester Snow replied that activities discussed in the CALFED Program will be a part of the flood response. The use of cost/benefit analysis will help determine the use of storage capacity. BDAC member Eric Hasseltine noted that determining who benefits may include a qualitative analysis which could be a change in direction for the CALFED financial strategy. Vice Chair McPeak and Mr. Patterson concluded this discussion by noting that change in use of storage space to respond to different needs can be conducted.

CONTINUATION OF AGENDA ITEM #2

After the lunch break, Ms. Selkirk requested a meeting with CALFED to discuss scheduling issues relative to the ERPP. Chair Madigan questioned whether some BDAC members were anticipating a flawed ERPP and Ms. Selkirk assured the Chair that she was interested in the anticipated level of analysis and peer review. Chair Madigan affirmatively responded that a meeting of interested BDAC members with CALFED should occur to discuss the schedule of the ERPP.

Presentation Continued

Rick Breitenbach (CALFED Program staff) explained examples of the differences between programmatic and project level environmental impact analysis using the possibility of storage capacity north of the Delta. He said that the programmatic level would look at a broad range of options such as surface storage, conjunctive use and operational concepts to narrow the range of options. Project level analysis will look at specific sites and detailed programs.

Discussion Points

- Mr. Hildebrand urged that the yield of water from storage and the benefits derived from it be used during the programmatic analysis to which Lester Snow agreed.
- Ms. Borgonovo asked whether or not site-specific environmental analysis would be constrained by the programmatic analysis. Mr. Breitenbach replied affirmatively yet felt that the ranges we were including were sufficiently broad. He also explained that environmental analysis for Phase III projects could begin before the final Record of Decision for Phase II.

4. UPDATE ON THE DEVELOPMENT OF THE WATER QUALITY PROGRAM

Presentation

Rick Woodard (CALFED Program Staff) presented a description of the Water Quality program. A written description is included in the BDAC meeting packet. He explained that a technical group is now formed and the intent is to continue the group after conclusion of Phase II. The group is looking at water quality issues for agricultural, urban and environmental uses. A coordination role is anticipated for CALFED for existing and future actions. Implementation of projects will be staged with the first being projects that are not connected to the programmatic environmental analysis. Other projects will require the completion of the programmatic analysis. Mr. Woodard stated that assurance issues exist in the following areas: coordination, available funds, adequate technical investigation, water quality benefits, and the continuation of the technical group. Mr. Woodard closed by posing questions about the role of CALFED in watershed protection. These questions are stated in the written description.

Discussion Points

- Questions posed by Ms. Redmond were: what is the importance of pesticides, what is the anticipated level of land retirement and what consideration was being given to rangeland management for watershed management purposes? She also expressed satisfaction at the watershed approach of the Program. Replies from Mr. Woodard were that all pollutant sources were of equal importance, that the Water Quality program is proposing the retirement of 45,000-90,000 acres of land based on existing analysis of drainage problems, that actions resulting in enhancing flows would not be part of the Program's scope of work and that rangeland management might be in another component of the CALFED Program. Lester Snow added that watershed approaches exist in the other

components and that CALFED is trying to work with other agencies on a definition of watershed management.

- Ms. Brockbank, Ms. Borgonovo, Mr. Meacher and BDAC member Mike Stearns discussed coordination of the CALFED Program with other efforts. They encouraged cooperation with the watershed management program of the State Water Resources Control Board (SWRCB) to avoid duplicative efforts and to maximize use of existing institutional relationships. Full cooperation is anticipated responded Mr. Woodard and an initial meeting with SWRCB staff has been scheduled.
- Mr. Mantell noted that a new budget item of \$4 million is proposed for watershed management and would be divided among several state agencies.

Chair Madigan then focused discussion on whether CALFED should take on a leadership role in coordinating water quality assessment activities. Mr. Mantell, Ms. Selkirk, Ms. Notthoff, Mr. Izmirian, and Mr. Hildebrand participated in the deliberations. Members thought that avoiding duplicative activities was very appropriate, as well as striving for uniformity of data collection and databases. Members proposed that rather than CALFED taking a leadership role, CALFED should avoid duplicating other agencies efforts and encourage coordination between the organizations.

Public Comment

- Ed Petry of Mendota expressed ongoing concern regarding the water quality in the Mendota area. He also expressed some skepticism that watershed management in that area could improve water quality in part because of soil and water conditions in the contributing watersheds. Concluding his remarks he complimented the agencies on coordination during the floods.

5. WATER USE EFFICIENCY PROGRAM DESCRIPTION (Rick Soehren)

Presentation

Rick Soehren (CALFED Program staff) presented a detailed description of the Water Use Efficiency program. Mr. Soehren noted that the general objective of the program is to use incentives and disincentives rather than regulatory approaches to achieve efficiencies. The material on program elements, general approaches and the definitions of efficiency were first presented to BDAC in October, 1996 and were quickly reviewed during this presentation. Mr. Soehren then described the proposed actions in the urban and agricultural sectors. Materials on proposed actions for these sectors were included in the meeting packet.

Mr. Soehren noted that best management practices for environmental water diversions were under development. On the topic of water recycling he stated that a recycling analysis guidebook is under development. With respect to water transfers he explained that the actions would differ from other program elements as the concept of efficiency is different, the assurance needs are different, and additional decision forums were involved.

Mr. Soehren summarized the issues by informing BDAC that there is little agreement on the necessary assurances, differing views on the adequacy of the proposed efficient management practices and differing perspectives on the definition of cost-effectiveness.

Mr. Soehren completed his presentation by summing up the general assurance issues. He stated that the intent is to create a program where to qualify to receive new water deliveries, to receive transferred water or to participate in the drought water bank, the user demonstrates that efficient water management practices are already in use. He described the proposed voluntary planning and implementation program for agricultural use efficiency. It includes a trigger to consider legislative and regulatory mechanisms after a 2-year period. Contained within the existing urban program is the possible use of a non-compliance fee in certain non-compliance situations. He noted that there is a debate as to whether anything beyond a voluntary approach to urban water use efficiency is necessary.

Discussion Points

- Chair Madigan asked Mr. Soehren to summarize work to date under AB 3616. Mr. Soehren said that initial negotiations began seven years ago with a final MOU having recently been drawn up. The MOU lists practices required of an agricultural water district, practices that should be considered, and existing practices that could be improved, particularly pricing and delivery mechanisms. A council would be established to certify conservation programs which are consistent with the proposed practices.
- Ms. Borgonovo, Mr. Hildebrand, Mr. Pyle, and Ms. Selkirk articulated two general views on the need for assurances for agricultural water use efficiency. One view is that the existing institutions, such as the SWRCB, provide an appropriate level of assurance and that an approach that provides incentives to improve efficiency and collecting data on the cost-effectiveness of conservation programs is appropriate for the present time. The other view is that while the proposed program has important elements to encourage efficient use of water, it is not aggressive enough, that the harshness of the proposed penalties for non-compliance may be overstated, and that there should be a comparable level of use efficiency effort in both the urban and agricultural sectors.
- Ms. Selkirk additionally noted that there appears to be a lack of agreement on what is meant by the terms "efficiency" and "benefit" and suggested these disagreements reflect a fundamental disagreement over CALFED's primary objectives.
- Ms. Redmond encouraged members of BDAC to offer up other suggestions on assurances. She suggested that it is time to look at water use efficiency in the context of the entire CALFED Program. Also, it is likely the situation is somewhere between the stated extremes of 1) no more agricultural water can be conserved and 2) there is tremendous waste of water.

- BDAC members Richard Izmirian and Bob Raab both expressed doubt that the proposed program would meet the CALFED objectives. Mr. Izmirian encouraged use of a watershed approach and that the same questions that were posed on the water quality issue be considered on this topic as well.
- BDAC member Howard Frick noted that a regulatory approach to agricultural efficiency would meet with such resistance it would slow the entire CALFED process.
- Ms. Notthoff and BDAC member David Guy suggested that perhaps the assurances discussion might be more appropriately addressed in some other forum such as the Assurances Work Group. Lester Snow agreed that ultimately all assurance concerns need to be resolved. Ms. Selkirk suggested that BDAC may need a focused meeting on assurances concerns.
- BDAC member Ray Remy noted that a regulatory approach to addressing air quality issues in southern California created a backlash and that a similar approach by CALFED could have the same results. He asked if financial strategies were being considered for the urban sector and Mr. Soehren replied that cost effectiveness guidelines were being developed.
- BDAC member Hap Dunning noted that there are additional approaches to water use efficiency, particularly pricing and a water use diversion fee. The diversion fee will be considered in the Finance Work Group.

Lester Snow remarked that the differences may not be as wide as they appear. He proposed crafting how a program might function, integrate it with other CALFED components and then articulate the policy issues. This might narrow the range of disagreements.

Public Comment

- Byron Buck (California Urban Water Agencies) suggested that best management practices be upgraded, that better measurement and evaluation tools be developed, and a certification mechanism be created. If these measures do not create enough efficiencies, then sanctions should be considered. He noted that the CUWA is working with the Environmental Water Caucus on the issue.
- Linda Cole (Valley Water Protection Association) spoke about water transfers noting that there are differences between programs for in-basin and out-of-basin transfers. She urged BDAC to continue discussions on water transfers. Ms. Redmond replied that the topic will be discussed by the Work Group in the next few months.

- Polly Smith (League of Women Voters) spoke in support of the proposed measures and suggested that more aggressive efficiency measures be included in the Program. She stated that neither MOU includes all agencies in the CALFED solution area and urged that pricing be analyzed.
- Michael Jackson (Regional Council of Rural Counties) made several points; the term "efficiency" needs to be better defined, a sector-by-sector comparative analysis of use efficiency should be conducted, and water transfers should be analyzed independent of use efficiency in part because transfers are inefficient for upstream users.
- Mr. Petry expressed concern that the re-use of agricultural drainage water concentrates pollutants and suggested that a more consistent flow of water be released from Friant Dam.
- Bill Dunn (Calaveras County Water District) was concerned that in-stream flow was not being considered by the Program as part of water use efficiency. He suggested that an analysis of the needs and cost-effectiveness of instream flows should be conducted for counties within the CALFED solution area.

6. UPDATE ON THE STORAGE AND CONVEYANCE COMPONENT (Steve Yaeger)

Presentation

Mr. Yaeger described some of the relationships between parts of the storage and conveyance program. He noted that there are many possible combinations of storage and conveyance facilities. In all of the combinations the use of groundwater storage/conjunctive use is to be considered as well. Mr. Yaeger also noted that operating assumptions with each of the alternatives (no action, through Delta conveyance, and dual conveyance) will affect the sizes of storage facilities that can be considered in all locations. The intent of the program is to reduce conflicts between beneficial uses and to reduce the uncertainty of Bay-Delta water supplies. Staff are regularly meeting with stakeholders and attempting to frame the range of options.

Discussion Point

- Mr. Hasseltine and Mr. Hildebrand inquired about the geographic location of facilities. Mr. Yaeger replied that location is another variable to be considered and that the east side of the San Joaquin is among the locations being considered.

AGENDA ITEMS #6 AND 7 POSTPONED

Agenda Items on the Ecosystem Roundtable and the Implementation Plan were postponed until the March 12th meeting.

Draft BDAC Meeting Summary
January 30, 1997
Page 11

Mr. Hildebrand suggested for the next BDAC meeting that the relationship of the Roundtable and the Ecosystem Restoration Work Group be explained and that he would like to propose opportunities for restoring the Delta that differ somewhat from actions proposed in the Ecosystem Restoration Program.

No additional public comments were made. The meeting was adjourned at 5 PM.