

PHILLIPS & ASSOCIATES

E-014729

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IN RE THE MEETING OF THE
BAY-DELTA ADVISORY COUNCIL

To:

6-6-97
Sharon Gross
1416 Ninth St.
Suite 1155

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

Thursday, May 22, 199~~8~~⁷ at 9:55 a.m.

REPORTED BY: THOMAS J. LANGE, CSR 4689

PORTALE AND ASSOCIATES Stockton, CA (209) 462-3377

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BAY-DELTA ADVISORY COUNCIL

Members

MICHAEL MADIGAN, Chairman, California Water
Commission

TIB BELZA, Northern California Water
Commission

ROBERTA ROBGONOVO, League of Women Voters of
California

MARCIA BROCKBANK, San Francisco Estuary
Project

HAP DUNNING, The Bay Institute

JACK FOLEY, Metropolitan Water District of
Southern California

ROGER FONTES, Northern California Power
Agency

TOM GRAFF, Environmental Defense Fund

DAVID GUY, California Farm Bureau Federation

STEVE HALL, Association of California Water
Agencies

ERIC HASSELTINE, Contra Costa Council

ALEX HILDEBRAND, South Delta Water Agency

RICHARD IZMIRIAN, California Sportfishing
Protection Alliance

ROSEMARY KAMEI, Santa Clara Valley Water
District

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BAY-DELTA ADVISORY COUNCIL

Members (cont'd)

PAT McCARTY, Delta Protection Commission

SUNNE McPEAK, Bay Area Council

ROBERT MEACHER, Regional Council of Rural
Counties

ANN NOTTHOFF, Natural Resources Defense
Council

PIETRO PARRAVANO, Pacific Coast Federation
of Fishermen's Association

STUART PYLE, Kern County Water Agency

BOB RAAB, Save San Francisco Bay Association

JUDITH REDMOND, Community Alliance with
Family Farmers

MARY SELKIRK, East Bay Municipal Utility
District

ROGER THOMAS, Golden Gate Fishermen's
Association

MICHAEL MANTELL, Designated State Official -
The Resources Agency

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1 (All parties present, the following proceedings were
2 had at 9:55 a.m.):

3 CHAIRMAN MADIGAN: The hour of 9:30 having
4 clearly arrived and passed, I apologize for not
5 getting us started on time. I was operating on under
6 a slight misapprehension here, but having had it
7 pointed out to me, it's time for us to get underway.

8 This is the Thursday, May 22, 1997 meeting
9 of the Bay-Delta Advisory Council. The Quorum is
10 present, we are called to order, and first item on
11 the agenda today is a report on the testimony of
12 Sunne and Rosemary at -- back at the House of
13 Representatives on April 17th.

14 Sunne, I'd like to turn it over to you.

15 MS. McPEAK: Mr. Chairman, the first thing
16 to state is that we were well briefed, well prepared
17 by staff that had excellent materials.

18 This was a hearing of a subcommittee water
19 power to look at the budget proposal from the
20 administration for federal participation on an
21 ongoing basis in the CalFed process. It happened to
22 occur the same day that Speaker Gingrich decided to
23 call a full caucus and then a full floor session to
24 explain the financing of his ethics thing. So we
25 went from a scheduled 9:30 morning hearing to after

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1 1:00.
2 I think that worked in our favor since
3 Chairman Doolittle was concerned that we had spent
4 all that time waiting, and, in the end, had a very, I
5 think, supportive statement about the CalFed process,
6 would like one of us to lay out what were the ways of
7 determining success, how did we know that we were
8 making progress, and what did we expect to be sort of
9 the follow on even after the completion of the first
10 three years and the issuance of an EIS/EIR. So we
11 tried to respond as ably as we could.

12 Rosemary did a wonderful job. Lester was
13 there to make sure that we said all the right things.
14 My job was to assure Chairman Doolittle that the
15 business community thought this was the last best
16 chance, and maybe the only hope in California, for
17 continuing to have resolution around the issues that
18 affect both the federal and the state water projects.

19 And with that, we can answer any questions.
20 But you know the sort of the circus that goes on in
21 Washington and it was in full color that day.

22 CHAIRMAN MADIGAN: Rosemary.

23 MS. McPEAK: Roberta -- I mean, Rosemary.

24 MS. KAMEI: The only thing that I wanted to
25 add is that there was extremely strong support. We

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1 had two panels. The first panel was a CalFed panel
2 with Lester, Interior State of California and EPA.
3 And the second panel was representatives from the
4 Urban Water Users, the business community, the
5 environmental community, the landowners and the ag
6 community.
7 And I was really, really happy to see the
8 coalition come together and get behind the CalFed
9 program and really demonstrate the need to have this
10 funding.

11 So I think it went really, really well and
12 hopefully it will continue.

13 CHAIRMAN MADIGAN: That's pretty
14 encouraging. They don't always go well. I'm
15 encouraged by the report that both of you felt that
16 it went well.

17 MS. McPEAK: You should know, of course,
18 that we have to, you know, take an oath and swear
19 under perjury that what we're -- under penalty of
20 perjury that what we're saying is absolutely true.

21 CHAIRMAN MADIGAN: I don't like where this
22 is headed, but --

23 MS. McPEAK: Well, I wanted you to know that
24 I invoked your name, and it is -- it's forever in the
25 testimony. I assured them that Chairman Mike Madigan

7
1 and I were committed to the process and that we
2 wanted to see it go forward as much as possible on
3 the timetable that we had originally laid out.

4 Was that accurate?

5 CHAIRMAN MADIGAN: Okay. Yeah, yeah. All
6 right, all right. Thank you.

7 Thanks to both of you for going back there
8 to do that. That's neither convenient nor generally
9 much fun. It's one thing for Snow over here, he gets
10 the big bucks, but for you guys it's really -- well,
11 call me when you deserve it and I'll be sure you get
12 it, honestly.

13 Questions?

14 MR. GRAFF: Just a comment as a follow-up.

15 Apparently there was -- well, not
16 apparently, there was another group of
17 multi-stakeholder representatives in Washington this
18 week, I guess it was Tuesday and Wednesday, meeting
19 with a cross-section of Congressional House and
20 Senate staff and also members.

21 And I think probably the most notable
22 meeting was with Senator Boxer who pledged -- she's
23 now on the Appropriation Committee, who pledged her
24 support for the full 143-million-dollar
25 appropriation, and apparently commented that she

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1 would bring Congressman Radanovich over to the Senate
2 to talk to her Republican colleagues together with
3 herself to try to emphasize the bipartisan nature of
4 the effort.

5 CHAIRMAN MADIGAN: All right. Well, that's
6 encouraging as well.

7 All right. Any other questions?

8 Again, Rosemary, Sunne, thank you very much.
9 Next item on the agenda is a bullet
10 regarding the establishment of a Water Transfer Work
11 Group.

12 Lester has talked to both Sunne and me about
13 the notion of establishing a work group dealing with
14 the issue of water transfers. Both of us think it's
15 a good idea. There is a great deal of interest
16 around here, and some of you have already expressed
17 that interest to one of the three of us.

18 It would be our notion to shortly issue some
19 sort of a memorandum both appointing chairs or
20 co-chairs and members of that work group. But to the
21 extent that you have a specific interest, now would
22 be a real good time to let one of the three of us
23 know.

24 Alex specifically is interested.

25 Tib, thank you.

9
1 Jack.
2 Judith.
3 Okay. We will -- Judith, did you want to
4 say something?
5 MS. REDMOND: I wanted to make just a couple
6 of comments.
7 This whole subject of transfers of water
8 seems like a pretty important one, so it would be, I
9 think, very important that the work group has good
10 representation of people from the various different
11 interest areas, people concerned about environmental
12 issues, people concerned about agricultural issues.
13 I think it's also important that there be
14 good representation from the counties that are
15 targeted for water sales. A real good proportion of
16 that work group, I think, should represent those
17 counties.
18 And I want to bring up something that I
19 brought up in the -- a letter that's in the packet,
20 and that is that there's a program that's sort of
21 moving ahead pretty quickly, called the Supplemental
22 Water Purchase Program, that I think BDAC members
23 should be aware of.
24 It's a program that I think lacks some of
25 the attention to our guidance principles. It

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1 candidates to participate in in selling water. Which
2 counties, though, did you have in mind?
3 MS. REDMOND: Well, I know that Yolo County
4 is targeted, Butte County is targeted, Tehema County
5 is targeted, Yuba County is targeted, Sutter County
6 is targeted. There's like seven counties. Am I
7 missing -- Glen, Colusa, yeah. And they're
8 specifically targeted in the -- for example, the
9 Supplemental Water Purchase Program, and they are
10 counties that have the potential for transferring
11 water, groundwater, surface water.
12 The comments that the Community in Alliance
13 with Family Farmers has written on this program are
14 available. I'll have copies this afternoon if anyone
15 is interested.
16 CHAIRMAN MADIGAN: Lester?
17 Oh, I'm sorry.
18 MS. McPEAK: Well, the reason I was raising
19 that question is that in hearing your comments, it
20 occurred to me that the perception may be that a
21 Water Transfer Program is limited to just so-called
22 targeted areas as opposed to a generic program that
23 could be participated in, in theory, throughout
24 California.
25 I mean, I have actually thought it might

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1 doesn't, for example -- it has a very limited set of
2 beneficiaries, for example. It doesn't deal with
3 environmental stakeholders as potential
4 beneficiaries. It doesn't move the groups, the
5 various different groups together, forward together.
6 It doesn't include protections for groundwater. It
7 doesn't include protections for the impacted
8 counties, I think, adequately. It doesn't address
9 community issues, doesn't look at environmental
10 issues.
11 So I think that a program like that could
12 really derail any programs that CalFed might attempt
13 to have water transfers that did deal with
14 third-party impacts. And so I think that members of
15 BDAC should really pay attention to that program and
16 perhaps make some comments of their own about that
17 program, if they are concerned about the opportunity
18 for water transfers in the future under some sort of
19 CalFed program that, you know, people could get on
20 board with.
21 CHAIRMAN MADIGAN: Okay. Thank you.
22 Sunne?
23 MS. McPEAK: Judith, which are the
24 counties -- I agree with the principle of the
25 representation of counties who might be the

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1 more likely occur in the San Joaquin Valley, not the
2 Sacramento. I mean, users in the Central Valley, the
3 two valleys together, obviously, or even the mountain
4 counties may be potentially candidates in all of
5 this, or between urban areas.
6 But that's why I wanted to get a
7 clarification if I was missing the point here. Which
8 is usually the case.
9 MR. SNOW: No, actually, Sunne, you're right
10 on point. We don't have in the CalFed program really
11 any concept of targeted areas. We are trying to
12 develop a policy framework within which transfers can
13 take place. There are other programs that Judith has
14 referred to that you clearly see that there's some
15 targeted areas to seek transfers, and it's clear that
16 there's some counties that may be able to do more
17 transfers than others.
18 But our intent is to set up the mechanism,
19 and there can be transfers within counties, all
20 transfers south of the Delta. I mean, there's
21 transfers from IID to the coastal area. We want to
22 look at the broad policy framework and we really
23 don't have targeted areas.
24 MS. McPEAK: Okay, thank you.
25 CHAIRMAN MADIGAN: Well, let me go back to

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1 Judith then.

2 MS. REDMOND: And what does not exist at the
3 moment is an umbrella process that would protect –
4 that would apply to everyone equally and that would
5 protect potentially adversely impacted communities.
6 And without those kinds of protections, and if you
7 look at this Supplemental Water Purchase Program, you
8 can see how sorely they are lacking. Without those
9 kinds of protections, I don't think we're going to
10 see water transfers going anywhere.

11 CHAIRMAN MADIGAN: All right, thank you.
12 I have Alex, Hap and Roberta.

13 MR. HILDEBRAND: I think it's important to
14 have somebody, and I think it may well be CalFed, to
15 take a look at the cumulative proposals here. The
16 bureau is planning to acquire a whole lot of water,
17 the DWR wants to acquire water for its contractors,
18 CalFed's talking about reallocations of water. Now
19 at this meeting in Tahoe where every district in the
20 state practically got up and said what its future
21 was, and they all said, well, we're going to buy so
22 much water.

23 And somebody ought to add all this up, and I
24 think it will turn up that it's totally unrealistic
25 to think that any purchase program which does not

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1 have serious third-party impacts cannot meet those
2 collective requirements, and nobody's adding them up.
3 I wish CalFed would do that.

4 CHAIRMAN MADIGAN: Actually, it's 4.6 times
5 as much water as will ever be available for that
6 purpose.

7 MR. HILDEBRAND: So I think this is
8 something CalFed might do.

9 CHAIRMAN MADIGAN: Thank you.
10 Hap?

11 MR. DUNNING: I have a comment but not on
12 water transfers. You can come back to me after that.

13 CHAIRMAN MADIGAN: Okay, fine. Thank you.
14 Roberta?

15 MS. BORGONOVO: I've had requests from
16 different people that are located in those counties
17 to at least look at that supplemental program and the
18 policy implications. So I do think it's important
19 for BDAC to look at what policies are in place, are
20 they addressing third-party impacts which we've
21 discussed and haven't come back as part of the public
22 forum.

23 I have to confess it's not something that I
24 myself was tracking, but I know that it has
25 implications in these other areas and I think it

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1 might have implications for the environment also.

2 CHAIRMAN MADIGAN: In fact, this policy does
3 have implications for other areas, and I'll get to it
4 a little bit more a little bit later in terms of
5 breakfast that Sunne and I had with several of you
6 this morning. But – and, Hap, this may introduce
7 your question as well.

8 Water transfers are clearly one of the kinds
9 of questions that the Water Use Efficiency Work Group
10 needs to have in its kit. It is our notion that
11 while water use efficiency hits some tough sticking
12 points, that we're going to try to find ways to deal
13 with those because it's my belief that the Water Use
14 Efficiency Group remains an important part of this
15 activity and that we're going to – and that it will
16 be back as a working group and we're going to try to
17 resolve a couple of these issues. And Judith and I
18 have talked about it a little bit.

19 And with that, Hap, let me ask you your
20 question and see if we can refine it here.

21 MR. DUNNING: Well, one of them was just
22 noting in the packet that the March 27 report on that
23 group said that no future meetings were scheduled,
24 and I wondered if that did represent some sort of
25 breakdown of process with regard to CalFed and how

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1 that could be addressed. That's one question.

2 I have the other question, is whether you
3 have other work groups in mind beyond the Water
4 Transfer Work Group. Were you thinking of others
5 that might be established. I'm particularly
6 interested as to whether there might be an
7 appropriate place for one on facilities.

8 CHAIRMAN MADIGAN: Judith, let me – did you
9 want to say something first and then I'll say
10 something, and then, Stu, I'll call on you.

11 Go ahead.

12 MS. REDMOND: The Water Use Efficiency Work
13 Group presented several recommendations to CalFed on
14 agricultural water use efficiency, urban, recycling,
15 and we had discussed all of those. And we also even
16 wrote out and presented, and it's available in the
17 notes, a list of ways in which we did not feel we
18 reached agreement on some of those proposals.

19 And we felt that we had gotten to a certain
20 point where we sort of have had it out and we all
21 understood each others' positions and we needed to
22 sort of look at those proposals, get more input, wait
23 for people to write their responses and that kind of
24 thing.

25 We didn't have a breakdown in the process so

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1 much as just decide that we weren't ready -- we
2 didn't have any other burning issues that we needed
3 to be discussing. And I think that we would expect
4 that if things come up, we would definitely meet
5 again.

6 CHAIRMAN MADIGAN: Stu?

7 MR. PYLE: Yes, I had --

8 CHAIRMAN MADIGAN: And I haven't forgotten
9 the question. I will get to it.

10 MR. PYLE: I had a slightly different point,
11 but I agree on what you're just discussing with the
12 movement of the Water Efficiency Work Group, that I
13 think setting that aside for this time is okay, in
14 view of all of the other things that are on the table
15 and that it will be adequate time to bring that in
16 and make resolution to those problems that still
17 remain in there.

18 But the thing I wanted to bring up was, and
19 it may relate to the formation of other work groups,
20 is that I feel that there's a void in the process in
21 regard to water reliability; that if you read the
22 mission statement and several of the things that are
23 in the documents before us right now, it lists water
24 reliability as one of the main subjects of the
25 mission to develop in the Delta. And we are

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1 approaching that through the alternatives and through
2 the analysis of what those totally do in terms of
3 water supply there, although we really haven't seen
4 that information.

5 But it seems to me that when we're talking
6 about efficiency, which affects all of the water use
7 throughout the state, all of the districts are
8 involved in the Delta, you're talking about water
9 transfers that have to do with that. You're talking
10 about modification of the amount of water that you
11 can move through the Delta pump, et cetera, et
12 cetera, that somehow there should be a further
13 detailed evaluation of the context that that applies
14 to in regards to water reliability of all the
15 districts that have a stake in the Delta. And
16 somehow that's just totally passed over here.

17 And also would bring up to your attention
18 that there's now going on in the Department of Water
19 Resources, the revision of the California Water Plan
20 Bulletin 160-98 which is coming together and will be
21 on the street, hopefully, by November of this year.

22 And in there, they are dealing with the same
23 alternatives that are people are dealing with here in
24 terms of the -- north of the Delta storage, south of
25 Delta storage, isolated facility, et cetera, et

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1 cetera, as well as evaluating what those do to the
2 water supply in the State Water Project and so forth.
3 And it seems to me that there should be some
4 pretty close coordination and that everybody should
5 be talking back and forth. In fact, you should
6 probably have those Department of Water Resources
7 people presenting that material here. And, you know,
8 it seems to me that if you're talking about other
9 work groups, there ought to be a water supply
10 reliability where you would have the complete, you
11 know, introduction of all of that water supply
12 information which is coming forth in the bulletin so
13 it doesn't suddenly hit the street in November, you
14 guys are coming out and we guys are coming out in
15 about the same time with a document, and are these
16 going to be meshed, you know.

17 So that's my statement for right now.

18 MR. HILDEBRAND: I share that concern.

19 CHAIRMAN MADIGAN: All right, thank you.

20 Lester?

21 MR. SNOW: There is, I guess, a couple of
22 issues that have been raised in the last couple of
23 comments here.

24 When it comes to the water supply
25 reliability issue, and I think also the storage and

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1 conveyance issue that Hap has raised, I guess we've
2 made an implicit assumption that BDAC -- on that
3 issue BDAC is a committee of the whole; that that
4 becomes such a significant issue both in terms of
5 controversy that arises from it, implications to the
6 rest of the alternative, that I guess we've assumed
7 that we'll be bringing that kind of information about
8 the configurations, as we're going to discuss today,
9 and their impacts on water supply reliability to this
10 group as opposed to a subgroup of this.

11 So that's kind of the track that we're on
12 and that's certainly something that can be discussed.
13 I mean, we think that we are doing the kinds of
14 modeling that will be necessary, and again, you'll
15 start seeing some of that kind of structure in the
16 alternatives and the appendices that support them, to
17 be able to provide BDAC and CalFed a very wide range
18 of impacts on water supply reliability. And again, I
19 think you'll see that today.

20 But where it fits into the statewide
21 context, we do not have exactly the same mission as
22 the State water plan in terms of Bulletin 160. We
23 are attempting to balance the Bay-Delta system which
24 is different than looking at the time statewide water
25 needs. That's been an issue that we've raised all

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1 along and so we do not have the exact same objective,
2 although I do believe we have the same data basis to
3 deal with that.

4 But perhaps it's useful, you know, the point
5 that Stuart raises, of having a brief presentation at
6 some point on the status of Bulletin 160-98, I
7 believe it is.

8 MR. PYLE: If I can make just one brief
9 reply – it's maybe, you know, kind of a retort –
10 but when you talk about water use efficiency, you're
11 talking about universal application, California-wide.
12 When you're talking about transfers, you're talking
13 about the same thing. But when you're talking about
14 ecosystem restoration, you expand to total drainage
15 to the Sacramento/San Joaquin Valley at least.

16 So you – in part of the program you have a
17 geographic and an activity scope that is far beyond
18 the Delta. And it seems to me that it's very
19 difficult to separate out water use when you're
20 including efficiency and transfers, et cetera, and
21 say, well, we don't really have any responsibility,
22 concern, or whatever, for water use in these areas.
23 We're only concerned about water transfers and
24 efficiency.

25 It seems to me that either you should reduce

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1 the amount that you're dealing with efficiency and
2 transfers in regard to the Delta solution, or you
3 should go back and put water use and water
4 reliability on the same level of scope. It seems to
5 me there's a great dichotomy in how you're treating
6 those various items relative to the area of
7 California that's being included.

8 CHAIRMAN MADIGAN: Okay.

9 This is perhaps as convenient a time as any
10 to segue into the notion that Sunne and I had
11 breakfast this morning with the environmental water
12 caucus, and I want to report back on that breakfast
13 with them to you. And this sort of is one of the
14 subjects of the conversation that we had this
15 morning, and that is, how BDAC functions and how
16 its – you know, how we sort of made some decisions
17 in terms of the way it gets its work done.

18 This is a large unwieldy and frequently
19 opinionated group, and one of the notions was that we
20 would divide it up into smaller work groups that
21 would be probably no less contentious but would
22 provide everybody with an opportunity at representing
23 the various constituencies around here for
24 participation still with the light of day shining on
25 the process.

23

1 To that end, there have been several work
2 groups appointed, and they have been about their
3 tasks and I think we've gotten some good effort and
4 some good thought and some good work from them. It
5 is clearly not the only way for us to do business.
6 Hap mentioned earlier the notion that there might be
7 a facilities work group. Sue suggested the notion of
8 a water supply reliability work group. These are all
9 possibilities.

10 The other possibility is, in fact, as Lester
11 indicated, that we can meet as a committee of the
12 whole.

13 There is no magic to our going in either
14 direction. It is simply a matter of how best to
15 produce this notion of consensus at the end of the –
16 at the end of this process, that the Legislature and
17 the Governor and the Secretary and all of the various
18 people involved still anticipate us producing, given
19 the fact that Sunne apparently said that's what we
20 were going to do back in Washington.

21 If it is your desire that we bring more of
22 these matters to this full council for policy
23 deliberation, we can do that.

24 If it is your desire that we create additional
25 work groups to focus on specific issues, we can do

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1 that as well.

2 It is at some point more important that you
3 are comfortable with the process, that you believe
4 that you are having the opportunity to participate in
5 the process, that you believe that your constituents'
6 voices are being heard in the process, than that we
7 do it one specific way or another.

8 If we are successful, it will be because
9 everybody around this table feels that they have been
10 a participant and that the light of day has been shed
11 on the process so that your various constituent
12 groups feel like they have been heard.

13 I don't know that it is anybody's
14 expectation that any one of these alternatives or
15 variations on alternatives or combination of
16 ingredients, products that we will probably wind up
17 with, will reflect all of what anybody wants. I
18 think it's most people's expectation that there will
19 be compromises and trade-offs for things that you
20 specifically feel are terribly important to your
21 constituency on the one hand and perhaps not so
22 important, even though you don't like it, on the
23 other.

24 This was a part of the conversation this
25 morning. It's also a part of conversations that we

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1 have had with others of you, in terms of how we go
2 about doing business. This is sort of the rules of
3 the business of the house. But they are open to
4 modification or change as you feel that it's
5 appropriate, and there is nothing wrong with that,
6 and I wouldn't want you to feel, you know,
7 inhibited -- not that many of you do, but I wouldn't
8 want to you feel inhibited by the fact that we are on
9 one track and that you would like to see us take
10 things in another direction.

11 It is our expectation to appoint a Water
12 Transfer Work Group. That seems like a focus issue
13 that there's an awful lot of disagreement around
14 right now, and a lot of fears, and it seems like a
15 good way to go. But we can always bring that issue
16 back to this committee of the whole; we can bring it
17 back at any time.

18 And perhaps one of the things that we need
19 to do is make sure that you are getting not only the
20 report back from the work groups but an opportunity
21 for substantive policy discussion with the members of
22 that work group on those issues and that we would
23 certainly be happy to do and encourage.

24 Alex?

25 MR. HILDEBRAND: I wouldn't suggest any new

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1 work group, but I do think we need to have a better
2 understanding of definition in the case of this
3 reliability thing.
4 If by reliability we just mean
5 predictability, and it could be predictably more or
6 predictably less, that's one thing. And if it's
7 reliability that we are trying to enhance the net
8 benefit to all interests, that's another thing. It
9 doesn't appear to be that, but I'm not clear just
10 what in the minds of Lester and his staff is meant by
11 it.

12 For example, on page 16 of the common
13 programs, it says that if the urbans can increase
14 their water efficiency they will get to keep the
15 water saved to take care of future demands. If the
16 wetlands and refuges manage to be more efficient,
17 then whatever water saved by that will not be
18 reallocated. But in the case of agricultural, it
19 says that the water that they might save will be
20 reallocated to other beneficial uses.

21 Now, I suppose that's a predictability, but
22 I don't regard it a reliability. It appears to say
23 we are going to make it more reliable for other
24 interests and not for ag.

25 Now, I don't quite understand the rationale

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1 here, whether that means that it's been decided that
2 when we have 20 million more people they won't eat
3 anymore, or whether it means that we are going to
4 exacerbate the current overdraft, unsustainable
5 overdraft of groundwater, or whether we are going to
6 go on world market for our food supply, or just what
7 the rationale is for this thing. I don't think
8 that's ever been explained to the BDAC or addressed
9 by the BDAC.

10 CHAIRMAN MADIGAN: Lester?

11 MR. SNOW: Maybe there is an issue on how we
12 are phrasing this, so I guess I've got to take a look
13 at it. But on that page that you referenced in the
14 third bullet, we tried to indicate that these
15 reductions that don't necessarily constitute a source
16 of water that can be reallocated to other beneficial
17 uses.

18 So it's recognized that -- actually, it
19 applies to all the sectors. You have conservation,
20 there's a variety of things that can happen to it.
21 One is to firm up the water for the rest of the
22 district. It can be sold. I mean, there is a lot of
23 things that can happen. If we've developed language
24 to indicate that there's only one outcome that
25 results from ag conservation, then we need to change

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1 that language because that's not the intent.

2 MR. HILDEBRAND: Well, I suggest you change
3 the language then because that's not what it says.

4 MR. SNOW: Okay.

5 CHAIRMAN MADIGAN: All right. Thank you.

6 Sunne.

7 MS. McPEAK: Mr. Chairman, I just wanted to
8 elaborate on two aspects of the report you shared
9 from the meeting this morning. And as you commented,
10 we have heard similar input from people in other
11 interest groups.

12 Those two points that I wanted to elaborate
13 on are, first, what is the process at BDAC for either
14 integrating the work that is happening in other
15 arenas as I think it was raised by either Stuart or
16 Alex on Bulletin 160, or how do we assure that
17 dialogue that's happening in parallel or in other
18 arenas gets the light of day, as you said here. So
19 there is that issue.

20 Second issue is the productivity of our own
21 dialogue and discussions here at BDAC, these formal
22 meetings.

23 So let me go back to the first one.

24 To the extent that there are parallel

25 discussions happening but with other parties, I mean

29

1 there is a desire to want to both encourage a lot of
2 exchange and discussion without having this process
3 undermined, and so we want to seek out, find,
4 identify and get reported here as much as possible
5 any of that discussion. So that's -- I think suffice
6 to say, that's what you have put on the table.

7 With respect to other work and how does it
8 get integrated here, I think I heard Lester, a pretty
9 satisfactory response such as Bulletin 180, we need
10 to know -- get a report where there is work, there is
11 a much different focus there than we have here.

12 The second item that I think is really
13 underlying a lot of what I've heard, you've heard,
14 continues to be a concern, is how do we use these
15 meetings to get as much resolution, maybe
16 reconciliation of information and differences of
17 viewpoints and as much resolution of position, policy
18 position as possible.

19 And I just wanted to sort of admit publicly
20 we have been struggling with that from the very
21 beginning. One thought we have had this morning is
22 to call upon the work group chairs to help us more
23 with the agenda to ask that the work groups report
24 out not only sort of the progress today but where
25 there are issues that are yet to be resolved. And we

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1 One, their openness in terms of the participation of
2 all parties, and that's an important question because
3 the light of day is a big deal around here.

4 No. 2, the symbolic and presumably
5 accidental calling of one of those meetings today
6 concurrent with the BDAC meeting.

7 Byron Buck and I had a chance to talk on the
8 phone last night about all of this, and I asked Byron
9 if he would be willing to address the group this
10 morning, specifically with those concerns in mind
11 because it is very important that we -- that we have
12 an open dialogue with whatever subset of interests
13 around here decides to sit down and work on specific
14 issues.

15 And this is not the first; it will not be
16 the last. And they are all, as Sunne indicates,
17 welcome so long as we have connectivity with them, so
18 long as we have open communication, so long as we are
19 able to avail ourselves around here of the products
20 of their work effort.

21 Byron, I wonder if I could ask you to come
22 up for a minute.

23 MR. BUCK: Thanks, Mr. Chair.

24 Byron Buck, California Water Agencies on
25 behalf of the ag/urban process.

30

1 are thinking of ways in which we might even during
2 the BDAC meeting break into smaller groups to talk it
3 through and report back to try to get more process
4 and exchange here.

5 But by and large, every time we try to put a
6 policy item before the group, it sort of just lays
7 there and it's hard to get engagement. And so we are
8 saying -- we are saying we understand that's an
9 issue; we are going to continue to work on it and
10 invite any other brilliant suggestions for how we get
11 around it.

12 But we would like to have enough time such
13 that not only an issue gets laid on the table like
14 what's the definition of reliability, but in the
15 context of a report out from the work group, that
16 item can be identified, talked through, get some
17 resolution, report that back, try to be at a new
18 level of understanding and hopefully consensus at the
19 end of each meeting.

20 CHAIRMAN MADIGAN: And in that regard, one
21 of the subjects that was brought up this morning at
22 the breakfast were the current CUWA/ag conversations,
23 and there has been some concern expressed about those
24 meetings.

25 No. 1 -- in several ways, I guess really.

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1 We have planned to do an update of where we
2 are as part of communication, and Alan Short is here
3 with me representing the agriculture side of the
4 caucus, and he would give an update of where we are,
5 what we have done, communications with the
6 environmental groups. And I can talk a little bit
7 about how the meeting conflict occurred and how we're
8 going to avoid that in the future.

9 CHAIRMAN MADIGAN: Okay.

10 MR. BUCK: AI?

11 CHAIRMAN MADIGAN: Good morning.

12 MR. SHORT: Good morning, Mr. Chairman.

13 Thank you for the opportunity to take a couple
14 minutes to update you on the ag/urban process, and
15 also the BDAC Council Advisory members.

16 As you recall, as you've heard today, there
17 is a process going on with the ag and the urban
18 folks. And it was recognized, I think, and as you
19 recall in previous updates, that there was a need to
20 get interest from both those communities on the
21 table.

22 There was a group formed with facilitation
23 and we have been moving forward to identify issues,
24 to identify potential solutions so that we can inject
25 those into the CalFed process in a constructive

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1 manner.

2 Where are we today. We have divided the
3 process up into two phases.

4 Phase 1 is the identification of those
5 issues amongst the various stakeholder groups, and
6 two, identifying those issues of concern as to the
7 alternatives that have surfaced from the CalFed
8 process.

9 Secondly, we are beginning to identify a
10 process and structure to handle or resolve those
11 issues identified in Phase 1, which we will now call
12 Phase 2, and we will be moving that forward in the
13 very short near future.

14 In addition to that, we will be providing
15 documentation on those interests and what the
16 solutions are, and they will be available at the end
17 of Phase 1. In terms of outreach, the group has
18 formed a subgroup which has been chaired by one of
19 your members. Mr. Steve Hall is putting together an
20 outreach program so that we can educate folks who are
21 not at the table, who, A, have not had a desire to be
22 at the table or, B, simply just want to watch the
23 process for a while before they engage. We are
24 beginning to do that now; this is part of that
25 outreach process.

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1 CalFed process.

2 With that, Byron will address the meeting
3 issue and then we can both handle any questions this
4 Advisory Council may have.

5 Thank you.

6 CHAIRMAN MADIGAN: Byron?

7 MR. BUCK: Thanks.

8 With respect to the meeting, the meeting of
9 the ag/urban caucus that's happening today and
10 tomorrow got set well over a month ago. The right
11 people and I was not there to be able to tell them
12 that we had a conflict. That was apparent at our
13 last meeting up at ACWA.

14 Recognizing the conflict and recognizing a
15 lot of people needed to be in both places, we shifted
16 the agenda today. It's basically technical
17 discussions in the morning with any of the policy
18 issues starting in the later afternoon. They are
19 going to work into the evening rather than having
20 started at their original time in order to
21 accommodate BDAC and those of us that have to be at
22 BDAC, which are a number of us that can't be in both
23 places at once.

24 It was just an unfortunate calendar
25 occurrence that that conflict was not initially

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1 In addition to that, we have had other
2 interests join the ag/urban group. The mountain
3 counties, for example, have recently participated,
4 Alex has recently participated at the last meeting as
5 well, and we have had one environmental interest
6 begin to participate in the process and that started
7 during ACWA.

8 We have continued to reach out to the
9 environmental community. A number of us met with the
10 environmental caucus. There has been a number --
11 several letters exchanged. I would say the tone is
12 positive and we are trying to find our way to find a
13 process to where we can communicate and outreach
14 effectively to the environmental community and are
15 continuing to work on that, as well as work on this
16 as well.

17 We have appeared before the CalFed
18 management meeting, we've summarized the process and
19 progress to date. We will continue to do that and we
20 hope that this is just a second in a series of
21 briefings that we will provide to this group and to
22 other groups who are interested in what the ag/urban,
23 and maybe we can now slash call one environmental
24 interest process that has now undertaken, to be
25 effective and to provide constructive input into the

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1 recognized. It's something we don't want to have
2 happen because, again, a lot of us have to be here as
3 well. So it's just something that we are going to
4 try to avoid in the future.

5 But when you're dealing with a group like
6 this, CEOs from a lot of different water
7 organizations, their calendars are nightmares. And
8 it was either drop the meeting and lose a whole month
9 in the process, and again, our process is about
10 trying to come to some common solutions on individual
11 issues that we can bring back to BDAC and to CalFed
12 to help the process along, losing that whole month of
13 time given the schedule was just something people did
14 not want to do.

15 So we did our best we could to accommodate
16 both and shift things to later to avoid that, but it
17 was certainly not a deliberate outcome.

18 CHAIRMAN MADIGAN: Thanks, Byron.

19 Questions?

20 Ann and then Mary.

21 MS. NOTTHOFF: Well, I just want to echo the
22 Chairman's acknowledgement that the public process is
23 really key to coming to a long-term solution for the
24 Bay-Delta.

25 And in that regard, I think one of the

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1 things that would be very useful to hear from
 2 ag/urban meeting attendees is some suggestions on how
 3 we could make some changes to the public process
 4 here, either if it's for the whole meeting of BDAC or
 5 through the work group structure or through some
 6 other structure that would address some of the
 7 concerns that you have and that would allow you to
 8 interact in a more meaningful way in the public
 9 process. I think that that would help us in really
 10 coming to a more reliable long-term solution.

11 So I'd like to see if you could work that
 12 into your next report maybe.

13 MR. BUCK: Yeah, I will certainly take that
 14 back to the group. One of the things we have
 15 certainly identified is that public process has been
 16 out there and we haven't been using it very well
 17 because we have been talking past each other. And
 18 what this effort is about is to try to talk together
 19 to try to be able to use the existing process a lot
 20 better than we have because we have ended up saying
 21 opposite things in these forums and the work group
 22 forums and that simply wasn't working for us. But
 23 certainly we can look at how we might suggest better
 24 things to improve communication overall.

25 That's helpful. Thank you.

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1 CHAIRMAN MADIGAN: Mary?

2 MS. SELKIRK: I just wanted to follow up. I
 3 agree with Ann's suggestions, but I want to take it a
 4 little bit farther since I think that there are great
 5 opportunities for advancing the debate here at BDAC.
 6 There is also a great opportunity for increasing
 7 paranoia because that's been the history in
 8 California, as we all know. So I have a couple of
 9 requests, both as a BDAC member and as a chair of a
 10 work group.

11 And that is, that in further briefings that
 12 we have here, we get some more detail. I would like
 13 to know not only the process and structure of the
 14 discussions, but what some of the substantive issues
 15 that are being addressed are; if there any written
 16 work products that come out of Phase 1, that they be
 17 integrated directly into BDAC deliberations.

18 And at the work group level, what I would
 19 like to know at my work group, for example, next
 20 week, is that if there are comments coming from –
 21 see, I sit around the table, I don't know who around
 22 that table is participating in the CUWA debates,
 23 discussions, who is not. I need to know contextually
 24 if the fishery biologists have some comment, whether
 25 they are informed by some deliberations that are

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1 happening in technical discussions that are outside
 2 of CalFed arena just so that we have a sense of what
 3 the territory is and what the evolution of
 4 discussions with these issues is because I think that
 5 if this is going to be an ongoing, as Lester called,
 6 off-line discussion, that we have to do our best at
 7 every opportunity to integrate it into the
 8 deliberations here.

9 MR. BUCK: Okay. That is certainly part of
 10 our outreach. And specific to your question, at the
 11 end of Phase 1 we will have a document that is going
 12 to outline all the issues or interests that have been
 13 brought forward by the participants. So you'll see
 14 of the participants what their issues are or
 15 interests are in summary that we're going to try to
 16 bring together, and also the key issues that we
 17 believe need to be addressed within the CalFed
 18 solution. So that will be the product of Phase 1.
 19 It will also indicate how we intend to interact in
 20 Phase 2.

21 We also, as part of the outreach program,
 22 the minutes of the meetings are going to be
 23 distributed when they are finalized. The first set,
 24 I think, back from April has already been done. So
 25 that's part of Steve Hall's responsibility through

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1 ACWA to get those out to anybody who wants them.

2 So all the written product out of this group
 3 will be available to anyone, and we will certainly –
 4 hopefully at the next meeting of BDAC, that Phase 1
 5 report will be done and we will be able to share that
 6 and discuss that.

7 CHAIRMAN MADIGAN: Sunne, then Bob.

8 MS. McPEAK: Following up on that, Byron,
 9 what I heard you say is that you will have minutes
 10 that can be distributed to anyone. What maybe you
 11 should do is distribute them to – give them to
 12 Lester and they should be put in the packet so we
 13 have that.

14 A very specific thing that could be helpful,
 15 Steve, you're doing outreach, is the individuals who
 16 are participating in the ag/CUWA process who are also
 17 then sharing those viewpoints with the work groups
 18 should be identified as such. If we could get that
 19 at least understood.

20 Third thing that I wanted to raise is that
 21 we have heard here today the concern about water
 22 reliability and facilities. And part of the concern,
 23 which you just state right up front, is a negotiation
 24 to reach concurrence on facilities that might be
 25 outside of all the parties being at the table.

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1 I think that obviously you're going to be
2 reporting back and that it would be a miracle if that
3 deal that was struck off-line, you know, was not
4 opposed by everybody else. So I think that there is
5 a lot of process to go through.

6 However, what also has been stated to Mike
7 and me, is that if there is a movement towards a
8 preference on one of those alternatives by CUWA and
9 ag, and albeit a very potent alliance of two of the
10 interest groups, and that there hasn't been a similar
11 parallel analysis or an agreed upon methodology on
12 analysis, that we are going to be again at
13 loggerheads and talking past each other, I could use
14 more graphic terms that this could evolve into, but I
15 won't in this arena.

16 So I suggest that in the absence of a --

17 CHAIRMAN MADIGAN: Might be the one.

18 MS. McPEAK: Yeah, you guessed it; you're
19 right.

20 -- in the absence of getting perhaps a
21 decision about plumbing too soon out here or a work
22 group around the conveyance facilities, what I'd like
23 to ask is that see if you're open to having your
24 technical people sit down with Lester's staff and
25 let's get to some common platform about methodology

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1 and analysis and try to lay aside the concern that
2 one alternative is running ahead of another in
3 analysis.

4 Give me your feedback, Byron.

5 MR. BUCK: That is indeed happening already.
6 The technical group that's looking at conveyance and
7 facilities is just essentially operating at the
8 technical level now, looking the alternatives and
9 versions that are on the table now, running some
10 operational runs to see how these things work, see
11 what benefits might get created.

12 The technical staffs are discussing it. We
13 are keeping Lester's staff apprised of the runs we
14 are doing and the assumptions we are using within,
15 and their cross-communication is going on very well
16 at a technical level so that we do exactly what
17 you're pointing out. We don't want to end up with
18 apples and oranges at the end of the process.

19 The policy end of it is a long way away from
20 even talking at about those facilities. We are only
21 at the stage of trying to understand what they might
22 do, what benefits might accrue and what costs might
23 accrue from them.

24 So we are very much in line with that. We
25 want to make sure we are with the process and

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1 something doesn't come out at the end that, say,
2 these groups might desire to be wanted that was never
3 considered within the CalFed process or indeed even
4 analyzed because that's a failure for all of us.

5 MS. McPEAK: I'll come back with another
6 question on a totally different item. Go ahead,
7 Mike.

8 CHAIRMAN MADIGAN: Bob, and then Roberta.

9 MR. RAAB: My thoughts had been bypassed, so
10 I'll pass.

11 CHAIRMAN MADIGAN: Okay, thank you.

12 Roberta, have your thoughts been bypassed?

13 MS. BORGONOVO: No.

14 CHAIRMAN MADIGAN: No.

15 MS. BORGONOVO: I wanted to go back to the
16 technical discussion.

17 CalFed has been making presentations, and we
18 did have a presentation from Lester and his staff
19 about storage and conveyance, but there's a real
20 concern over the way the modeling is done and the
21 access of the information. And so I think just
22 having that technical presentation to the CalFed
23 staff doesn't really address our concerns. That's
24 one of the reasons we asked to have either a work
25 group or the committee as a whole functioning to look

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1 at storage and conveyance.

2 We expressed a concern that there will be a
3 bias towards one alternative and they will not all be
4 equally evaluated, and I think that concern is still
5 there.

6 CHAIRMAN MADIGAN: Steve, and then Tom.

7 MR. HALL: First, Byron is right, it's my
8 responsibility to get materials out. They will go
9 out and they will include Lester on the mailing list
10 so that he can distribute them to BDAC.

11 A couple of points I want to respond to
12 quickly. I think Sunne's concern about, I think her
13 words were a "deal being cut off-line," are very
14 legitimate and predictable. I mean --

15 MS. McPEAK: It's happened more than once,
16 Steve. We all know that.

17 MR. HALL: You bet, and I think we are
18 taking pains to see that that does not happen. When
19 we presented to the CalFed management group last
20 week, I think my words were we really want to improve
21 the quality of our participation. That's the goal.

22 We all know that this is a complex and
23 potentially contentious decision package, and it
24 would be virtually impossible for any interest group
25 to make an informed decision about the alternatives

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1 without doing some very in-depth analysis, including
2 modeling. I think every interest group is going to
3 engage some in effort to do that and we have a
4 responsibility to do that.
5 Not that we don't trust Lester and his
6 staff, but it's going to be very hard for any of us
7 to go back to our policymakers and make
8 recommendations without having engaged in as vigorous
9 an analysis of the alternatives as possible, and not
10 only analyze what CalFed is developed but provide
11 some suggestions of our own as to what they might
12 examine further or drop.

13 The ag and urban caucuses elected to pool
14 their resources, but I've got to tell you, there is a
15 very rich diversity of views in that group. And I'm
16 not at all convinced myself that there will be any
17 consensus developed around any alternative in that
18 group.

19 What I am pretty convinced of is that at the
20 end of the period of time when this group is working
21 together, they will have analyzed pretty in-depth
22 everything that CalFed produces and other
23 alternatives as well, and I think CalFed will be
24 better for it. I know that already the environmental
25 water caucus is doing the same kind of thing on its

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1 own. The offer has been made to extend the pooled
2 resources to include those analysts in the
3 environmental community, and some are beginning to
4 now participate. I think that's -- that will make
5 the ag/urban process better.
6 What we are really trying to do, I think
7 more than anything else, is to come up with some
8 cogent thoughts about what makes the most sense. And
9 I feel more today than I have felt in some time,
10 perhaps my 20-year career, that we are all trying to
11 get to the same goal. We have different viewpoints
12 on how to get there, but we are trying to get to the
13 same spot.

14 So I think while, Sunne, your concerns, and
15 yours, Roberta, are very legitimate, I really think
16 that when this product comes out of ag/urban,
17 whatever the product is, and I don't think it will
18 necessarily be an ideal alternative, that it will
19 have had the benefit of a lot of in-depth analysis by
20 some very talented knowledgeable people and that
21 CalFed will have a better alternative because of it,
22 and I think it will be better yet if the
23 environmental analysts are there with us.

24 CHAIRMAN MADIGAN: Thank you.
25 Tom?

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1 MR. GRAFF: A lot of people are beating
2 around the bush. Let me see if I can get right to
3 the point.

4 The so-called technical discussions, my
5 understanding is that Dave Schuster, longtime
6 consultant to the Kern County Water Agency, is the
7 principal technical analyst for this coalition and
8 that his first set of model runs dealt exclusively
9 with dual facility alternatives. Is that right?

10 MR. HALL: Dave is one of a team. Greg
11 Gartrell is the other prime technical analyst.

12 The first the first analysis we did was to
13 look at various sizes of isolated facilities and what
14 that might produce in yield, and the next step is to
15 look at that with storage. There is also going to be
16 look at the three Delta alternatives, too, to see
17 what those produce. So it's just one of the series
18 of analyses we'll do with modeling.

19 MR. GRAFF: Okay. So the answer is yes.

20 MR. HALL: He's part of the technical team,
21 yes.

22 MR. GRAFF: And secondly, I don't know what
23 the relationship is between CUWA and the so-called
24 Bay-Delta Urban Coalition, but a couple of days ago,
25 that group circulated a document to various folks in

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1 Washington D.C. attacking the Fish and Wild Service
2 and the Bureau of Reclamation for allegedly not
3 following the appropriate consensus-based processes
4 and reaching decisions that might benefit the
5 environment. What's the connection between what
6 you're doing and that?

7 MR. HALL: CUWA and the Urban Coalition are
8 two separate entities. There are multiple
9 participants, the membership list not the same. CUWA
10 is not a lobbying organization, we're a 401C3
11 nonprofit so we don't do that sort of thing.

12 I might also mention that it is not a
13 CUWA/ag process that we're involved in here, it's
14 urban/ag, it's beyond CUWA, so it's CUWA members,
15 plus other urbans that are involved in this. So it's
16 a larger set than that that's involved in the
17 ag/urban process.

18 MR. GRAFF: So I can't quiz you about this
19 particular letter, you had nothing to do with it?

20 MR. HALL: No, I had nothing to do with it.

21 MS. McPEAK: Who were they?

22 CHAIRMAN MADIGAN: Yeah, who were the
23 Bay-Delta Urban Coalition? The BDUC as we have
24 started calling them up here.

25 MR. GRAFF: City and County of San

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1 Francisco, East Bay MUD, Santa Clara Valley Water
2 District, Alameda County Water District, Solano
3 County Water Agency, Central Coast Water Authority,
4 Coachella Valley Water District, Municipal Water
5 District of Orange County, San Diego County Water
6 Authority, and Metropolitan Water District of
7 Southern California.

8 MS. McPEAK: The Contra Costa Water District
9 isn't there?

10 MR. GRAFF: No.

11 CHAIRMAN MADIGAN: And their role? I'm
12 sorry. You may not be the right person to ask these
13 questions, but you're the only one that seems to
14 know.

15 MR. GRAFF: The document is entitled
16 "Recommended Actions to Support the CalFed Program,"
17 and there's a section on current federal decisions
18 which attacks the Fish and Wildlife Service for
19 various alleged sins, including this year's
20 prescription of water -- what does it say.

21 "Controversy erupted in 1997 regarding how
22 to meet Delta environmental water prescriptions
23 recommended by the Fish and Wildlife Service through
24 biological opinions and under the CVPIA."

25 Then there's a section also on the Trinity

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1 River and the recommended federal actions are:

2 "Interior agencies must develop more
3 participatory approaches to decision making regarding
4 environmental water requirements, including
5 interactive stakeholder input." I don't know what
6 the Garamendi process was, if it wasn't that.

7 "Interior agencies should rely to a greater
8 extent on proposals to create environmental water
9 through mutual agreements in order to meet fisheries'
10 objectives and avoid unnecessary and destabilizing
11 conflicts. The interior should support the use of
12 the CVPIA restoration fund and other sources as
13 appropriate to compensate entities for cost to meet
14 fisheries' objectives."

15 CHAIRMAN MADIGAN: Okay, thank you.

16 MS. SELKIRK: I don't even know what this
17 coalition is, so --

18 CHAIRMAN MADIGAN: I'm with you. I'm
19 clueless at this exact moment.

20 Okay, all right. Thank you, Tom.

21 Well, we'll all learn about BDUC as we go, I
22 guess.

23 Stu, and then Alex.

24 MR. PYLE: My comment is not on the
25 ag/urban, it's another subject.

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1 CHAIRMAN MADIGAN: Okay. Well, we'll hold
2 it then.

3 Alex.

4 MR. HILDEBRAND: As the only member of BDAC
5 who has attended a meeting of this urban/ag, I would
6 just like to explain my reaction to it.

7 I'm still open-minded about Phase 2, whether
8 I'll participate in that or not, but I think Phase 1
9 has served a good purpose for me, and I hope for the
10 CalFeds.

11 We spoke earlier of the need to look at the
12 cumulative proposals for acquiring water.
13 Practically every section of our book says we are
14 going to acquire water for environmental purposes,
15 and you listen to all these other outfits that are in
16 this thing and they all plan to acquire water. And I
17 don't think CalFed -- nobody is adding it all up, but
18 at least they will provide information to CalFed that
19 will enable CalFed to look then and see whether it's
20 realistic to think that all this water can be
21 acquired. So I think it's a useful compendium of
22 aspirations and concerns of a large -- much larger
23 and more detailed list of water users than CalFed
24 itself has addressed.

25 As regards the technical analysis, it's

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1 quite true, as Tom says, that there may be some bias
2 there. But on the other hand, the three principal
3 people they have working on this are very competent
4 people. And the thing I got out of that is that they
5 presented some very interesting technical analyses,
6 whereas the staff has not presented any comparable
7 analysis to the BDAC.

8 So I hope we will see the staff's analysis
9 on the same kind of things, and I certainly will hope
10 that to be able to look at that as being less
11 potential for bias. But it's worthwhile to me to see
12 an analysis from some competent group, whether they
13 may have a bias or not.

14 So I'm open-minded about Phase 2. I'll have
15 to see how it progresses and I want to be sure it's
16 consistent with my role as a member of BDAC to
17 participate in it, but I do think that CalFed can
18 profit from seeing the analyses and the detailed
19 information that is coming out of Phase 1.

20 CHAIRMAN MADIGAN: All right. Thank you.
21 Ann, and then Bob.

22 MS. NOTTHOFF: Just a reminder in response
23 to that. I think that we all know that a smaller
24 group with private dollars will inevitably come up
25 with a bigger, fast model faster than the more

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1 cumbersome publicly accountable process that we have
2 got here in CalFed. And I -- again, just a caution
3 that we don't allow the first horse out of the gate
4 to dominate the discussion here.

5 MR. HILDEBRAND: I share your caution.

6 CHAIRMAN MADIGAN: Bob.

7 I do, too, by the way.

8 MR. RAAB: I just want to say amen to what
9 Alex has been saying because I've been trying to make
10 the same point for more than a year in the assurances
11 work group and in the restoration work group, that
12 there is no coherent balance sheet, there is no
13 coherent supply and demand of water, and the D160
14 tables don't do it. They are not a true balance
15 sheet.

16 We don't know how much water really have.

17 We don't know how much water is being -- is demanded.

18 And anything that we can do to develop something like
19 a bank where you know how much money you've got in
20 the bank and how much -- how many loans you can give
21 out, if we can do something like that here it would
22 be a real plus.

23 CHAIRMAN MADIGAN: All right, thank you.

24 Sunne.

25 MS. McPEAK: Byron, a really simple

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1 question. Have you at the CUWA/ag discussions looked
2 at the environmental restoration program plan and are
3 we close there in concurrence with it? I'm asking it
4 because I'm real simpleminded and I keep going back
5 to the major thrust of the CalFed processes on the
6 Bay-Delta restoration, and I think that we need to
7 get on as common a ground as possible about the
8 ecosystem restoration qualitatively and
9 quantitatively in order to then make subsequent
10 decisions.

11 So assuming that that makes sense and is a
12 rational approach, and others might have a different
13 take on it, have you gone through that discussion at
14 your joint meetings?

15 MR. BUCK: That is the subject of one of the
16 technical work groups now. They are working on the
17 ecosystem restoration program plan, they are
18 following what CalFed has been doing. Those people
19 have been participating in that work group, they will
20 be making recommendations and bringing policy issues
21 before the policy group of ag/urban.

22 That hasn't happened yet. That wouldn't
23 happen really until Phase 2 until we are into the
24 substantive exercise. But they are working very
25 closely to make sure they know what's in the plan and

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1 would be prepared with suggestions on how it might be
2 improved or changed.

3 MS. McPEAK: I'm going to make a suggestion
4 that I haven't checked with anybody and so it might
5 get, you know, rejected, but it occurred to me as you
6 were just saying that that if there is a work group
7 on the estuary restoration, there may be other work
8 groups related to or in parallel to some of the work
9 groups here, and it might be worth asking the chairs
10 of our work groups to at least have a dialogue with
11 your members.

12 They may not want to do that, but I'm
13 thinking that might be another point of connection in
14 order to get the exchange of ideas and also a better
15 understanding on our part by our chairs of the work
16 groups as to where there are issues yet to be
17 resolved that you're still talking through because
18 you've got questions about it.

19 And if there's anybody else having similar
20 discussions, having similar points of focus that
21 relate to our work groups, I would like to ask our
22 chairs to be our representatives in some of those
23 discussions.

24 CHAIRMAN MADIGAN: And that is a notion
25 which you would be pleased to help implement, right?

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1 MR. BUCK: Yeah, I believe so. Just to be
2 clear that what we have is a two-tier structure with
3 the policy folks that are heads of general agencies
4 and interest groups, and then technical work groups
5 that are drawn from the staffs working on the CalFed
6 common program issues.

7 They are only operating at a technical level
8 right now trying to understand it. They haven't
9 brought any of the issues before the policy groups so
10 their ability to communicate anything to this group
11 would strictly be at a technical level, here's what
12 we're studying, here's what we're finding. It
13 wouldn't be at a -- any type of recommendation of we
14 think it should go this way or that way.

15 CHAIRMAN MADIGAN: Okay.

16 MS. McPEAK: I got it, except I think they
17 actually can -- they understand it at a technical
18 level.

19 CHAIRMAN MADIGAN: Mary?

20 MR. BUCK: They are attempting to do so,
21 certainly.

22 MS. SELKIRK: I'm not wedded to any
23 particular way. I think your idea is a good one, but
24 I -- just speaking as a chair of the ecosystem work
25 group, I'm assuming that there's a fair amount of

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1 overlap in terms of some of the technical folks that
2 are on the BDAC work group and the urban/ag technical
3 work group. I'm sure there's some people who do not
4 overlap.

5 However, what I'm interested in is that if
6 there are substantive issues that are being
7 discussed, deliberated on in that venue that pertain
8 and bear directly upon the ERPP which is going to be
9 released momentarily, we need to know that, I think,
10 to provide as comprehensive and as useful a
11 fact-finding process for BDAC as we can in that work
12 group.

13 MR. BUCK: One, there is overlap and a very
14 strong overlap on the ecosystem issue. They do have
15 a charge to look at the ERPP and make some assessment
16 of it to the policy group of ag/urban and then bring
17 that to BDAC and CalFed. That is, again, what we're
18 all about, is trying to come to some common
19 understanding as water users as to what this means to
20 us and how it can improve the stability which
21 improves reliability.

22 So that -- we are not there yet in terms of
23 being able to say anything, but we are poised to want
24 to react and help improve the ERPP. That's what that
25 work group's focus is.

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1 CHAIRMAN MADIGAN: Okay. Thank you very
2 much, Byron. I certainly appreciate your time this
3 morning.

4 In my ongoing effort to conclude the
5 Chairman's report by noon, I have three other brief
6 items.

7 The first is to welcome Michael Spear to our
8 list this morning. Michael, thank you very much for
9 joining us, Pacific Region U.S. Fish and Wildlife,
10 and standing in for Roger Patterson this morning. We
11 appreciate your coming in for the meeting.

12 No. 2, to perhaps start saying good-bye to
13 Michael Mantell, who I suppose most of you know is
14 about -- in the process of making other arrangements
15 for his life. And although it appears that we will
16 have some considerable opportunity to work with him
17 in the future, Michael, I want you to know that I
18 look forward to continuing to work with you.

19 I also want to take this moment to thank you
20 very much for your leadership in getting this effort
21 underway to begin with and in seeing to it that it
22 stays underway as we move forward.

23 MR. MANTELL: Thank you, Mr. Chairman.

24 If I can indulge this body for a few
25 moments, I -- there really was a consensus that there

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1 CHAIRMAN MADIGAN: Marcia?

2 MS. BROCKBANK: I was wondering how do you
3 see that tying in -- or I guess your analysis of the
4 ecosystem restoration program plan with the
5 independent science peer review that is going to be
6 going on?

7 MR. BUCK: Well, we will be participating in
8 that as well. That is -- and we have, as CUWA
9 certainly have indicated, that that's something that
10 is important, that the underlying science for the
11 ERPP needs to be put out there for everybody to look
12 at it because that indeed is what drives the plan.

13 We want people who are not attached with the system
14 to be involved with that, take a fresh look. We will
15 do it from certainly our perspectives as well.

16 So we are very supportive of that peer
17 review process, we will participate in that peer
18 review process. CUWA has submitted certainly names
19 of people that are unconnected, not consultants of
20 ours but are academics throughout the country that
21 could participate in that process to CalFed for them
22 to choose independent panelists.

23 So We think that's a very healthy thing that
24 needs to be done as well and is one that is
25 complimentary.

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1 were too many balding white men in this collection
2 and I drew the short straw.

3 But on a more serious note, having just
4 recently spoken both in the past week with the
5 Governor and the Secretary of the Interior,
6 separately, I can tell you that there is no higher
7 priority in terms of both their agendas than this
8 effort. And they will continue to give it that
9 attention.

10 I think that, as this last discussion
11 reflects, that we really do, as Sunne said, have
12 quite a unique opportunity and maybe the last best
13 chance, and it really is a chance of a generation.
14 When one looks back in California, you see -- we see
15 that in the 1930s and 1920s very significant
16 decisions were made about the future of water to
17 allow that generation to flourish, and with the best
18 of intentions and the best of information at that
19 time, for future generations to succeed in
20 California.

21 And then again in the 1950s and '60s, we saw
22 major effort to once again look at the future of
23 California in terms of its water and make some very
24 important decisions, again with the best of
25 information that existed at that time.

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1 And I think that we stand at this point in
2 the history of California at a similar condition and
3 that I really encourage you all to continue to think
4 boldly, creatively, with looking towards the future
5 and preserving and enhancing the dynamism of this
6 state, both in terms of its economy and its
7 environment; and that we will only have ourselves to
8 fault if we don't put California in place for the
9 21st Century as our forbearers did for the 20th
10 Century.

11 And I will continue to assist in some new
12 ventures that I'm embarking upon, directly and
13 indirectly, this effort because it's important. And
14 it's only because of the prospect of some unique
15 opportunities I have to influence the direction of
16 this State through the philanthropic community that I
17 am changing venues. And I'm going to work on behalf
18 of the nature conservancy for a short time in guiding
19 them and the direction of some of the major
20 philanthropic institutions in this State.

21 But I think that we really need to not get
22 sidetracked on important but nonetheless relatively
23 minor issues compared to the task at hand. We have
24 to keep a sense of perspective and a sense of
25 resiliency and determination to make it through and

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1 to leave our mark on the future of California. And I
2 really – this group is really special, this effort
3 is unique in the country and in the world, and I
4 really wish you the best and look forward to some
5 really path-breaking results in the future.
6 CHAIRMAN MADIGAN: Thank you, Michael,
7 appreciate it.
8 (Applause)
9 CHAIRMAN MADIGAN: You will be missed but
10 not forgotten.
11 Steven Hall was back in Washington this past
12 few days on the money question and he has offered to
13 give us an update on how that's going and I have
14 taken him up on that offer.

15 MR. HALL: Thank you, Mr. Chairman.
16 As you all know, obtaining federal
17 appropriations to match the money in Prop 204 is a
18 key element in the plan to move ahead with the
19 ecosystem restoration element of the CalFed process.
20 A group of environmental, agricultural and
21 urban interests were in Washington earlier this week
22 pursuing those appropriations. We are nearing the
23 time when a decision will be made. This follows up
24 the oversight hearing by the resources subcommittee
25 that I think you've probably already heard a report

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1 about that, that went very well. BDAC should be
2 proud of the people that represented it there, they
3 did a very good job.
4 Shortly before we arrived there, in fact the
5 day we arrived there a very good thing happened.
6 Congressman George Radanovich (ph), who was a member
7 of the House Budget Committee, had inserted language
8 in the House budget resolution which essentially
9 ratifies the President's budget which called for the
10 full 143-million-dollar appropriation.

11 That's a very important step forward because
12 it signals to appropriators that the Budget Committee
13 feels this is a priority that they should pay
14 attention to. It's not a mandate to the
15 appropriators. I don't think they feel like anybody
16 can mandate to them what they appropriate or to
17 where, but it's a very important step forward.

18 This week the Senate is taking up its budget
19 resolution. There will be no Senate Budget Committee
20 report so the same opportunity does not exist in the
21 Senate that existed in the House, nevertheless,
22 Senator Boxer, who is on the committee, and Senator
23 Feinstein, who is not but who has made this a very
24 high priority in her appropriations list, are both
25 helping to develop as much support in the Senate for

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1 this appropriation as possible.
2 So we continue to have a very strong
3 bipartisan effort on the part of the California
4 delegation to bring the money home, so to speak.
5 In addition to that, we met with
6 administration officials who, while they remain very
7 committed, have had their attention diverted onto the
8 Everglades for a while and signaled to Capitol Hill
9 that the Everglades funding should be protected.
10 They did not say the same thing about this
11 and so we spoke with some administration officials
12 and very strongly urged them, also asked Senators
13 Boxer and Feinstein to urge them to make it a
14 priority for the administration. I'm told that they
15 will do that in writing, and that will be very
16 helpful if the Clinton administration can weigh in.
17 But, of course, ultimately this will come
18 down to two decisions: What the appropriators
19 themselves in their respective houses decide to
20 appropriate, and then what is finally done in
21 conferenced because the financial appropriations
22 package will be conferenced between the Senate and
23 House.
24 At this point, we are guardedly optimistic
25 that the House will appropriate if not the full 143,

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1 a substantial sum of money. We are less optimistic
2 about the Senate where we frankly don't have the
3 same -- we don't have a Republican champion. And
4 since the Republicans are in the majority in the
5 Senate, we need to rely on less direct means of
6 influence.

7 The Governor has been very supportive of
8 this and we hope that he will be able to talk to
9 Senator Dominicci (ph) and others in the Republican
10 leadership who have a lot to say about whether this
11 appropriation will make it.

12 So I would say we are very close to getting
13 to the end game on this, and I think we are going to
14 get some money. It's hard to say how much, but I
15 think it will be a fairly substantial sum of money,
16 if not the full 143. And every indication that we
17 got in our two days is that we are doing everything
18 that's reasonable, and some things that probably
19 aren't reasonable, to try to assure that we do get
20 enough money to provide CalFed with the resources it
21 needs.

22 CHAIRMAN MADIGAN: Okay. Questions?

23 Yeah, Michael.

24 MR. MANTELL: I just wanted to add that
25 there is a letter likely to be sent in the next few

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1 days from the Governor to Senator Dominicci and that
2 will be followed up by a phone call as well.

3 MR. HALL: That will be very important,
4 Michael, thank you.

5 CHAIRMAN MADIGAN: Thank you, I appreciate
6 it.

7 Okay. Moving on to Agenda Item No. 2,
8 updates from recent public workshops, impact
9 assessment workshop.

10 Rick?

11 MR. BREITENBACH: Good morning.

12 CHAIRMAN MADIGAN: Good morning.

13 MR. BREITENBACH: We held this workshop
14 about two weeks ago, impact analysis workshop. It
15 was well attended, about 70 people, including one of
16 the council members. It went on for the better part
17 of four hours. We made five presentations, very well
18 presented the information, and we heard back from the
19 audience and we got some really good comments,
20 questions and issues raised by the audience.

21 The purpose of the workshop was really to
22 familiarize the audience as well as those that
23 received the workshop packet about the different
24 tools we intend to use to analyze impacts in the
25 environmental document. And I think we got to a

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1 point where I'm hopeful that people understand the
2 tools that we are using.

3 Again, we talked about five different issues
4 ranging from economics to water quality to fish and
5 wildlife, and I think that we're well received. And
6 here were some of the key issues, if you will, and
7 certainly not all of them because there were about
8 70, 75 questions or comments offered. We tried to
9 boil them down to this number.

10 The first one sort of goes with the
11 territory when you're doing a program document.
12 People are always looking for as much detail as they
13 possibly can get, trying to explain to them the level
14 of detail that we are offering in the program
15 document, being less than probably satisfactory to
16 them is always an issue that is raised.

17 They also were concerned about the fact that
18 we were relying a whole lot on existing information,
19 rather than going out and developing some new
20 information.

21 The second issue, evaluation of linkages,
22 this was partly a result of the way you make
23 presentations. You talk about how we are going to
24 evaluate impacts to fish and wildlife, how we're
25 going to evaluate impacts to economics, how we are

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1 going to evaluate water quality, and you don't talk
2 about the linkages between them.

3 So these comments are appropriate. We need
4 to consider the linkages between the different
5 efforts, and how we are going to display those in the
6 environmental document.

7 Groundwater. Groundwater came up in just
8 about every discussion that we had, or every
9 presentation that we had. The concern largely is
10 that -- or wants to make sure that we are evaluating
11 consequences to groundwater in the document, and we
12 are doing it to as great a level of detail as we can.
13 Unfortunately, the questions that they asked
14 or the amount of detail that they are looking for
15 gets us back to the first comment in the program
16 document. We probably aren't going to be able to
17 answer the specific questions that they offered, but
18 we are cognizant of the concern and we are dealing to
19 the best of our ability in the program document with
20 groundwater.

21 The next one, short time frame. I think we
22 are all concerned about the fact we have a short time
23 frame in trying to analyze the consequences in the
24 period of time that we have. One of the issues that
25 was tied with it was that given the short amount of

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 1 time, how are you going to get all the modeling done.
 2 And I think Stan and Marc shared the same concern,
 3 the people that are going to be doing the modeling,
 4 we're not certain how we are going to get it done but
 5 we are going to get it done.

6 The last -- the second to the last one,
 7 evaluation of watersheds, and we probably should add
 8 onto that, area of origin. It was the same sorts of
 9 questions, will you be evaluating consequences to the
 10 watershed areas, to the area of origin. And the
 11 answer to the best of our ability is yes, we will try
 12 to array some information in the environmental
 13 document about consequences in those arenas.

14 The last one, content of economics impact
 15 analysis, a whole lot of questions were asked about
 16 how we would analyze consequences to all the
 17 different resources, water allocation, agriculture,
 18 power generation and fisheries. And, again, we are
 19 trying to evaluate those to the extent we can within
 20 the document.

21 And I think the information we provided back
 22 to them as to how we would do it I think was well
 23 received, and my sense is that the comments that we
 24 got and the replies or the responses we made back get
 25 us to a -- get us to some sense of agreement and

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 1 understanding of the tools we are using. But
 2 certainly there is a sense out there that the detail
 3 that we are probably going to come up in the
 4 environmental document isn't going to be enough to
 5 get to decisions that they see that must be arrived at
 6 from this whole process.

7 Any questions?
 8 CHAIRMAN MADIGAN: Questions?

9 Alex.
 10 MR. HILDEBRAND: With regard to linkages,
 11 the various proposals that range from about a 150,000
 12 to several hundred thousand acres of Delta land
 13 that's to be converted from agriculture to wetlands,
 14 as you all know, that entails a substantial increase
 15 in the consumption of water within the Delta, and
 16 therefore you would have to have an increase inflow
 17 to the Delta to maintain the same Delta outflow
 18 export level.

19 How will you address that linkage and
 20 determine where the water is going to come from to
 21 take care of that increased evaporation of water?

22 CHAIRMAN MADIGAN: Take your time. It's
 23 okay.

24 MR. BREITENBACH: Within the environmental
 25 document, what we will key on is the consequences of

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 1 the conversion of land from ag to wetlands, if that's
 2 going to happen.

3 The consequences of moving water, if there's
 4 more water that needs to be moved to replace the
 5 water that was already going to that land to add to
 6 the water that is needed for wetlands, will identify
 7 those consequences.

8 In terms of how you measure the changes, I'm
 9 not quite certain how that actually is done. I would
 10 suspect it's done within the hydrology modeling, but
 11 off the top of my head I can't say. I could ask --

12 MR. HILDEBRAND: You use a lot more water
 13 for a wetland than you do for -- an acre of wetland
 14 than you did for an acre of agriculture, and that
 15 water has to come from somewhere. So the overall
 16 examination of linkages has to examine where is that
 17 water going to come from, and I'm just wondering how
 18 you are going to address that.

19 MR. BREITENBACH: In the program document,
 20 my sense is we are not going to be able to say water
 21 is coming from this area or this area or this area,
 22 but rather water is going to come from Delta -- or,
 23 excuse me -- north of Delta storage and that that
 24 water then would be the water that -- if there is
 25 additional water needed for the wetlands, that water

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 1 would be the water that would be used for it, or
 2 water from other reservoirs to the north.

3 MR. HILDEBRAND: Yeah, but there's --
 4 MR. BREITENBACH: But we wouldn't be able to
 5 say which ones they are or -- because we are at that
 6 general level of information that the water is going
 7 to come from the north.

8 MR. HILDEBRAND: But, for example, suppose
 9 that you are going to need 400,000 acre feet more
 10 water to maintain the same Delta outfall, and suppose
 11 that the alternative you're looking at is going to
 12 yield -- have a new water yield of 400,000. What it
 13 says in the proposal now is that a third of that
 14 would go to the environment, a third would go to
 15 agriculture, and a third to urban. Well, a third of
 16 400,000 of yield isn't 400,000, so it wouldn't supply
 17 that water.

18 So the question is then, where are you going
 19 to get the remaining water?

20 MR. BREITENBACH: As I understand it, the
 21 remaining water will come from willing sellers.

22 MR. HILDEBRAND: Okay. Then you have to
 23 look at the what's the consequence of doing that on
 24 the groundwater, for example. So it's a rather
 25 complicated linkage and I just don't feel comfortable

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1 that the – all of the consequences of this kind of a
2 linkage, and this is just an example, are really on
3 the radar screen so far.

4 CHAIRMAN MADIGAN: Thank you.
5 Ann?

6 MS. NOTTHOFF: From reading the write-up in
7 the packet and your presentation, it does seem like
8 the central theme was really a concern over the level
9 of detail. And I'd like to hear from CalFed how,
10 given that there is this general concern that there
11 is not enough detail currently, do you have plans or
12 how are you going to provide additional detail to
13 provide a level of comfort to interested parties so
14 that we can move forward in analyzing the impact.
15 Have you got – how do you respond to that concern?

16 MR. BREITENBACH: Well, the way we have been
17 responding to it is that concurrent with the impact
18 analysis, we are doing several other efforts, and
19 you've heard – we have shown you a chart that shows
20 how we're going to go from the alternatives down to
21 the preferred alternative. And there's a list of
22 efforts that are going to be used to get there so
23 that the prefeasibility studies – the impact
24 analysis prefeasibility studies, what we are calling
25 for the 404B1 evaluation process, some of the ESA

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1 requirements, as we meet those we're going to develop
2 additional information.

3 So there are a variety of concurrent efforts
4 that are going on that we hope will help fill in
5 between the ranges of information that we have in the
6 program document to give people enough information to
7 understand to the level of detail they need to
8 understand to make the decisions that they will make
9 in this process.

10 MS. NOTTHOFF: So you're confident that you
11 will be able to provide the level of specificity that
12 is going to satisfy these concerns?

13 MR. BREITENBACH: Collectively we are
14 confident.

15 MS. NOTTHOFF: Okay.

16 CHAIRMAN MADIGAN: Richard?

17 MR. IZMIRIAN: Let me see if I can make this
18 a little more obscure.

19 Going back to Alex's question, I think we
20 get a lot more complicated when you get down to the
21 economic impact assessment there. Most of these
22 evaluations that I've seen in the past have been
23 pretty much black box analyses. We don't know where
24 they come from.

25 Has there been any sort of discussion on the

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1 underlying economic theories behind the economic
2 impact analysis, and if so, will that be shared with
3 BDAC?

4 MR. BREITENBACH: I see Zach shaking his
5 head up and down yes. Would you like to offer some
6 comments, Zach?

7 CHAIRMAN MADIGAN: Come on up to the
8 microphone, Zach.

9 MR. McREYNOLDS: I have a loud voice but
10 I'll use the microphone anyway.

11 By way of background, there is an economic
12 impact analysis team that's a group of economic
13 consultants and a group of economists from CalFed
14 agencies that are working together to try to design
15 this essentially body of work that will explain the
16 economic impact of the alternatives as a technical
17 report within the draft EIR/EIS.

18 The first place where the results of all
19 that work get talked about are within this technical
20 team. And we have – one of the things we did in
21 this workshop that Rick is describing, was to go
22 through the – sort of the fundamentals of the
23 approach that that economic team is taking to prepare
24 this technical report.

25 I think, if I'm not mistaken, we will have

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1 further opportunities for public scrutiny of that
2 work as it progresses, but – and you would
3 eventually expect to see that as part of the draft
4 document, which you can review in conjunction with
5 all the other materials to determine what this group
6 says the impact – the economic impact of all these
7 alternatives are.

8 I do think it's important that in – we can
9 provide the material that we use for that public
10 workshop for people who weren't there to get them up
11 to speed with what we have said so far. But I think
12 it is important because I agree with you that it's an
13 important aspect of it, that people sort of stay with
14 us and stay informed as we are first developing the
15 approach and then as we are trying to use that
16 approach to describe these impacts.

17 I guess the stage we are at right now is we
18 have gone public with our sort of general approach,
19 the kinds of things we expect to look at. There are
20 seven separate areas within the economic impact
21 analysis, so we have talked about the kinds of things
22 we expect to look at within each of those areas and
23 what sources we are going to use, what information
24 sources we are going to use, and what – is it
25 assessment variables, is that the right word, Rick –

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1 what assessment variables, what sort of indicators we
2 are going to look at -- indicators is not the word --
3 but the things we are going to attempt to discuss,
4 quantify to the extent we can, or qualitatively
5 discuss that we expect to provide some sort of clue
6 as to how this program would impact each of those
7 seven resource areas within economic impact.

8 So we have talked about our approach. We
9 expect to sort of start feeding out the initial
10 results of that approach in further public meetings.

11 I hope that addresses your question. I'm
12 not sure if it does.

13 MR. IZMIRIAN: Not entirely. You know,
14 defining your parameters is one task which is perhaps
15 the easier task. But if you take seven economists
16 with the same sets of parameters, if they all put
17 them through a different model or different
18 theoretical background they are going to get seven
19 different answers, probably.

20 And so that's why I was interested in what
21 the underlying -- this is not the place to go into
22 the competing economic theories. The question is
23 whether that is being flushed out or being discussed
24 by the technical group.

25 MR. McREYNOLDS: I think it's fair to say

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1 that within that technical group, I can't honestly
2 say the kind of diversity that we have in terms of
3 sort of basic economic theories or viewpoints within
4 that group.

5 I do know that among the people in that
6 group, there is discussion among those economists as
7 to each area. But whether or not they are all
8 from -- like all from Chicago school or some other
9 group, I -- frankly I haven't looked into that.

10 Is that -- I mean is that sort of more the
11 thrust of your question, what's our sort of basic
12 economic viewpoint?

13 MR. IZMIRIAN: Yes. I suspect that we are
14 going to be presented with a set of numbers and we
15 are not going to know where they are come from, and
16 most of us don't have the capability to verify those
17 numbers or not. So it would just give me a little
18 more comfort knowing where they came from.

19 CHAIRMAN MADIGAN: Do you have a favorite
20 school, Richard, you'd look to put forward here?

21 MR. IZMIRIAN: The Berkeley school.

22 CHAIRMAN MADIGAN: Do you have another
23 favorite school you'd like to put forward?

24 Okay.

25 MR. McREYNOLDS: I'll follow up on that.

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1 CHAIRMAN MADIGAN: Roberta?

2 MS. BORGONOVO: I wondered if it will come
3 to the finance work group because -- it will come to
4 the finance work group because I think it does have
5 implications for some of the work we are doing, so
6 I'd like to have whatever Zach is doing in one arena
7 come back into the other arena.

8 MR. McREYNOLDS: Yeah, there is a fairly
9 good overlap in terms of involvement. The people on
10 the technical team in that economics group who are
11 agency staff are also coming to the finance work
12 group, so there's a good overlap there.

13 I guess what you're saying is we just need
14 to make sure that we -- I'll do that at the next
15 meeting -- bring what we have done as the economics
16 team so far to the finance work group just to make
17 sure that you're aware of the progress.

18 MS. BORGONOVO: Now all we can figure out is
19 there are several economic schools that are giving
20 input into this but we want to know what the result
21 is coming back out.

22 MR. McREYNOLDS: The one thing that I --
23 well, I think Rick mentioned that but I think it's
24 worth pointing out particularly in this area of
25 economics, and I'm going against my basic principle

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1 to shut up unless somebody asks me a specific
2 question, and Lester is squirming.

3 But one of the things that I tried to make
4 plain at the public workshop, and I think because you
5 raised it specifically you're talking about reams of
6 numbers coming out, and normally you expect reams of
7 numbers coming out from economists, one of the things
8 that I think was probably disappointing to the
9 consultant team was that we are trying to stress at
10 this -- at least at this early stage, that this is a
11 qualitative rather than a quantitative assessment of
12 the impacts.

13 It's clear that there are areas within the
14 economic impact analysis where a qualitative --
15 meaning words -- analysis isn't going to be
16 sufficient for anybody's purposes to make a decision.
17 One of the tasks of the economic team and the public
18 comments will be to identify those specific areas
19 within the economics where the qualitative assessment
20 isn't sufficient and we need to take advantage of
21 either existing quantitative work or commission new
22 quantitative work to get us a more definitive answer.

23 But the first approach is to say -- is to
24 make it qualitative. I think that's -- I suspect
25 that Rick already said that, but I think it's

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1 particularly relevant in this impact area.
2 CHAIRMAN MADIGAN: Thank you.
3 Assurances work group. Mary, you're on.
4 MS. SCOONOVER: I want to talk to you about
5 three related areas today.
6 The first, to remind you what an assurance
7 is and what the need is for an assurance.
8 Second, to talk a little bit about the
9 workshop that was held on May 15th.
10 And then third, to tell you about how the
11 work group is going to use the materials from the
12 workshop and what you can expect to see in the
13 future.
14 So, first, I remind that you an assurance is
15 not a guarantee and that the task is to assure that
16 the solution, whatever the solution may be, can be
17 implemented and operated as agreed.
18 Second, the second phase of this process is,
19 again, to develop a process to deal with uncertainty.
20 So if something unexpected occurs in the future,
21 something that we can't predict, that there will be a
22 mechanism to deal with that problem and that it won't
23 bring the whole process to a screeching halt, which
24 gets to our solution principle of durability. We are
25 trying to create not just a solution that's a good

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1 idea today, but is a good idea tomorrow and actually
2 will work into the future for the life of the
3 program.
4 Some of the needs for assurance, again, just
5 to briefly remind you, is the fact that we are
6 dealing with a phased implementation program. We are
7 dealing with a program that is going to occur for the
8 next 20 to 30 years. And some actions may take place
9 in the first year; other actions may take place in
10 the fifth year, and may be actions yet further that
11 aren't going to take place until the 20th year. So
12 linking those actions together is very important.
13 Likewise, it depends on who is implementing
14 the solution. There may be differing assurances if
15 the implementing entity is an agency that everyone
16 knows and has had dealings with, than if it's
17 something totally new or created from some existing
18 entities.
19 Likewise, there are differing needs for
20 differing components. The need for assurance for the
21 adaptive management component of the ecosystem
22 restoration program, for example, may be very
23 different from the assurance need for a water supply
24 facility.
25 And finally, there are various stakeholders

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1 who have differing concerns throughout the State, and
2 the challenge of raising their level of confidence to
3 such a state that they will support the final
4 solution that would be the solution, the CalFed
5 solution, and that it will successfully be carried
6 through implementation is also part of the challenge.
7 Now, the workshop on May 15th was in an
8 effort to address this flow chart that we have seen
9 before. On the right side of the screen you'll see
10 the assurance alternatives. That was the focus of
11 the workshop. The workshop was a fairly small crowd.
12 At its height we had about 50 people, more likely 30
13 active participants in the breakout groups.
14 There are a number of reasons for that.
15 One, the work group was -- or the workshop was
16 scheduled opposite a Cal Ops meeting which was
17 unfortunate.
18 Second, it's a difficult issue to think
19 about; it's a difficult issue to address. It's not
20 necessarily a part of the substantive what the answer
21 is, but it's more how the answer is implemented, so
22 many people are thinking about it kind of further
23 down the road. And finally, some people, I think,
24 have the impression that it's perhaps a little dull.
25 I'm hopeful that the small crowd was more because the

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1 Ops group was meeting than necessarily the other
2 reason.
3 But the people who were there were actively
4 participating. They reviewed the materials, they had
5 opportunities to contribute, and I think it was a
6 very successful workshop in that respect.
7 I would like to talk a little bit about the
8 alternatives that we discussed to give you some sense
9 of what the workshop participants had before them
10 before I give you the highlights from the workshop,
11 and also some sense -- it also gives you some sense
12 then of where we are going in the future with this
13 issue.
14 Staff and the work group has been putting
15 together a series of alternatives, and they are
16 alternatives to assure implementation and operation
17 of the case study. We quickly learned that trying to
18 assure a solution that's not yet selected is a
19 difficult thing to talk about theoretically for all
20 of us, so we established a case study based on one of
21 the alternatives and now we are putting together
22 assurances.
23 We decided that who implements the solution
24 is a good place to start and a good way to initially
25 differentiate between alternatives. So what we have

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1 created are alternatives that have differing
2 management approaches, everything from the existing
3 entities operating within their existing authority to
4 totally new entities, and we have also brought
5 together some alternatives in between and I'll give
6 you an example in a minute.

7 Likewise, the questions of how the ecosystem
8 restoration component are to be assured, questions
9 related to that are some of the most pressing for a
10 number of the stakeholders.

11 Likewise, the water supply reliability
12 component is the other kind of big concern to a
13 number of stake holders.

14 And finally then, there are a number of
15 other components that we have talked about before,
16 water quality, water use efficiency, system
17 integrity. And from those basic pieces, Mike Heaton
18 and Dave Fullerton put together -- working with the
19 work group, put together a series of alternatives.
20 And this is an example of Alternative 1.

21 Alternative 1 uses kind of an informal
22 coordination, much the same way that CalFed has been
23 operating, and uses existing agencies to put together
24 a series of agreements on multi-species protection
25 for the ecosystem restoration, which also provides

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1 Unfortunately, that's where the agreement fell apart
2 then.

3 What form that role ought to take was not
4 something that was universally agreed to. There were
5 a variety of suggestions, both based on the
6 alternatives and some new suggestions that, again,
7 we'll get into later.

8 So agreement that there had to be an active
9 role for stakeholders, but disagreement over the for
10 that would take.

11 An agreement that the management structure
12 who implements this is a very important question, but
13 that it's actually the underlying agreements, the
14 tools themselves, whether it's an HCP or federal
15 legislation or a contract or a memorandum of
16 understanding, that's really where the rubber hits
17 the road. That's the important detail and that's
18 where the workshop participants want to spend their
19 time now.

20 We have talked about management structures,
21 we have some good sense of what the possibilities
22 are, now let's go back and get some detailed
23 discussion of the variety of tools that are out
24 there.

25 There was some concerns about some of the

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1 assurances to the water supply reliability folks.

2 And then there are other methods of assuring the
3 miscellaneous items as well.

4 The reason that the alternatives were
5 displayed the way they were is because any one of
6 these blocks can be matched with any other
7 alternatives. So you could pick, for example, the
8 management structure for Alternative 1, but you
9 really like the ecosystem restoration assurances of
10 Alternative 4, and that was what we were trying to
11 get across. There are still a variety of differing
12 ways to do that, but there are five alternatives we
13 are working on thus far. And let me give you some
14 ideas of highlights.

15 There will be a summary of this workshop put
16 together and will be distributed to the BDAC members,
17 to the ecosystem round table members, finance work
18 group members and assurances work group members. And
19 anyone else who attended the workshop or who has an
20 interest in this issue, we are more than willing to
21 bring you into the fold.

22 The -- some of the primary concerns we heard
23 was that any solution in the future have an active
24 role for stakeholders, not just an advisory role but
25 an active role even in the decision-making aspect.

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1 tools that were mentioned, specifically an HCP or a
2 Habitat Conservation Plan, that addresses an aquatic
3 ecosystem, some untested sense to that, some
4 uncertainty about it.

5 There were also concerns voiced about
6 memorandum of understanding and about legislation,
7 the ability to change or modify those without a whole
8 lot of effort or future instability and how that
9 would relate.

10 Some concern about the durability or the
11 life of these types of agreements.

12 Concern for phased implementation, how can
13 you assure me that my issue that's not going to be
14 dealt with until 10 years down the road truly can be
15 assured now? And so tying the long-term with the
16 near-term was another concern that we heard.

17 And then, finally, a general concern for
18 consistent detailed definition of terms. And I think
19 the question or the concern, although voiced in the
20 assurances context, was meant for the rest of the
21 program as well. There's an awful lot going on,
22 there's an awful lot that's going to be going on over
23 the next few months, and a concern that people be
24 able to understand and that when the assurances work
25 group uses a term, it means the same thing as when

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1 the ecosystem restoration work group, for example,
2 uses a term. So consistency of terms and meanings
3 was kind of an overall comment.

4 Those are some of the highlights. There was
5 a really rich discussion in the small breakout
6 groups. They were facilitated by a number of
7 participants. Hap Dunning was there, Dennis
8 O'Connor, Cliff Schultz, Marianne Dickenson, Mike
9 Heaton, people who helped make the workshop
10 successful, and I just wanted to mention their
11 participation.

12 Finally, the question of how this workshop
13 will be used in the future, and I will go back to the
14 same flow chart.

15 The comments that were made will be used to
16 modify the existing alternatives that we have and to
17 refine the alternatives. We are going to, as I said,
18 spend more time and attention to getting to a greater
19 level of detail on what the tools actually will look
20 like. It's fine to say you're going to have a
21 contract to assure a certain delivery of water, but a
22 contract between whom? And what will the contract
23 contain or what are the general outlines of the
24 contract? How can it be enforced? Some greater
25 detail about that information.

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1 specific. So there will be some scrambling to be
2 done once a preferred alternative has been
3 identified.

4 Unless Hap wishes to add something, that's
5 kind of my summary of what happened on May 15th -- or
6 at May 15th workshop.

7 CHAIRMAN MADIGAN: Hap?

8 MR. DUNNING: Maybe I will add just one
9 word. I think the work group has really made
10 tremendous progress in large part because of the
11 terrific work that Mary and Mike and David have done,
12 but I want to emphasize that the floor is still open
13 for new ideas, good ideas.

14 In a curious way, I was reminded of that. A
15 few days ago I was at an academic meeting where
16 somebody was talking about the law of suretyship,
17 which basically has to do with the assurance of
18 performance of obligations. And the speaker noted
19 that the history on suretyship really begins in the
20 time of Caesar when hostages were offered.

21 So I have been running that one through my
22 mind and thinking who might be suitable to perform
23 that particular function. That's just to illustrate
24 that there are things that maybe none of us have
25 thought about.

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1 The work -- next work group meeting is
2 June 19th. There is also a work group meeting the
3 end of July. In those two next work group meetings
4 we are going to be focusing on this more refined
5 package of assurance alternatives. The goal is by
6 the time the draft Environmental Impact Report is
7 released next fall, there will also be a draft
8 preliminary package of assurances to be released at
9 the time.

10 Now, the chances are good, in my opinion,
11 that that draft report will contain options; that
12 there will not yet be a final assurance package put
13 together. So it's going to be a preliminary package
14 with as great a level of detail as we are able to
15 reach by that time.

16 Anybody who wishes to participate either in
17 written comments or actually attending the work group
18 meetings, as I say, is more than welcome. These
19 alternatives, again, are being crafted for the case
20 study. As soon as a preferred alternative is
21 selected by this program, we will then go back and
22 retool the alternatives that we have been working on.
23 Some of them clearly will apply -- or portions of
24 them will apply, regardless of what alternative you
25 selected, other portions clearly are alternative

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1 I would urge people on BDAC to go through
2 these lists very carefully. Sometimes obvious things
3 are simply overlooked. Please let your mind be
4 stimulated by what we're doing, and if you've some
5 thoughts and some areas that we ought to explore, let
6 me know or Mary know or others involved in the
7 assurances work.

8 CHAIRMAN MADIGAN: Okay. I like that
9 notion, that's really -- that's pretty attractive.
10 Ann?

11 MS. NOTTHOFF: One thing that came up in our
12 ecosystem restoration work group last month was the
13 tension between how do you devise an adaptive
14 management program that will at the same time provide
15 the type of indemnification that property owners are
16 looking for. And I think that's going to be a
17 constant tension there, and especially with the
18 ecosystem restoration component of the program.
19 And I think that it would be helpful and add
20 to the productivity of our ecosystem restoration work
21 group meetings if we could have some crossover and
22 get some better -- so we have some more information
23 while we are talking about what form we do and those
24 ecosystem restorations groups be informed of where
25 the assurances plan currently is and things like

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1 that.

2 I'm thinking in particular the issue of HCPs
3 which I believe is going to be a very controversial
4 approach to assurances in terms of ecosystem
5 restoration, and the earlier we get informed about
6 what your thinking is, the better I think for our
7 work.

8 MR. DUNNING: I think we have tried to do
9 that and I think there has been communication at the
10 staff level, and this problem of combining assurances
11 and adaptive management is certainly extremely
12 difficult. It seems to me we need to keep in mind
13 that adaptive management, under whatever name, is not
14 just something that just exists with regard to the
15 ecosystem part of the program.

16 As Mary said, we need to think about our
17 process to deal with uncertainty. And there will be
18 uncertainty with regard to a number of different
19 components, not just ecosystem. That's what makes it
20 all so difficult.

21 And I think we need to maintain a certain
22 dose of realism about it and, as Mary said, avoid
23 using the word "guarantee," and understand that we
24 can do a great deal to enhance the process but we
25 cannot predict the future. There are going to be

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1 been discussed by your organization or caucus or
2 stakeholder group that somehow in addition to that
3 list plus BDAC members as hostages, we should be
4 considering.

5 MR. DUNNING: Not just BDAC members.

6 MS. McPEAK: We can take the audience, too.

7 CHAIRMAN MADIGAN: I think hostages remain a
8 viable option here.

9 MS. McPEAK: We do have someone in the
10 audience, but we should -- let's get comments here
11 first from the BDAC and then we can take a comment --

12 CHAIRMAN MADIGAN: I do have Bob and Pat.
13 Mike, let me call you on first.

14 MR. SPEAR: I'm new to the group, but some
15 of you may know we -- Fish and Wildlife Service has
16 done a lot of habitat conservation plan, more than
17 some would like, but up and down the west coast, much
18 of the work done with Mike Mantell and our State
19 counterparts here.

20 We do have 8CPs with adaptive management.
21 Compared to this system, they are relatively simple.
22 But the idea is that the ideas have been combined, it
23 is an emerging area that seems to come up more and
24 more as people look at these alternatives. I think
25 this is -- you know, I personally have been involved

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1 surprises and it's a matter of a process that allows
2 us to respond and adjust effectively to those
3 surprises, rather than saying this is the way
4 everything is going to be for 20 or 30 years and
5 pretend that we can assure people that it will happen
6 exactly that way. We know it won't and any student
7 of California water history understands how many
8 surprises have come along.

9 CHAIRMAN MADIGAN: You know, I'm really
10 impressed. You guys have come a long way. It's
11 interesting to see it. There is no doubt that at the
12 end of the day one of the most difficult things
13 facing this entity is going to be the notion of
14 casting adaptive management into concrete, and I
15 think you've begun to identify the program that gets
16 us there.

17 Sunne raised an interesting question a
18 minute ago, which maybe you ought to repeat here.

19 MS. McPEAK: The question I have, looking at
20 what is laid out there as sort of the categories of
21 assurances, Hap, that you've been looking at, is if
22 there's any other assurance -- you invited any other
23 ideas but I thought I'd like to ask right now, is
24 there something that needs to be put into the mix,
25 some consideration that you see as missing that has

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1 in these things and would offer myself and some of my
2 staff to continue to push on the issues as to how
3 these things can work together because there are
4 models out there, and that's something we are talking
5 about every day with various companies or communities
6 as they look to find -- to get some certain stability
7 and yet deal with species' needs.

8 CHAIRMAN MADIGAN: Excellent. That's very
9 helpful. Thank you.

10 Bob?

11 MR. RAAB: Hap's comment about Roman times
12 reminds me that -- of an assurance that Sunne could
13 add to her list, which is that in Spain in the third
14 century, the Roman water quality control board used
15 to cast all of their water decisions in a durable
16 metal, so we might add that to the list.

17 CHAIRMAN MADIGAN: Did that have cost
18 implications?

19 MR. RAAB: Mary was right about this
20 workshop being, I think, one of the best we have had
21 in terms of people really starting to exchange their
22 ideas in a substantive way. And the staff did a good
23 job of making the assurances business accessible to
24 us in the design and that Cliff Schultz and Dave
25 Fullerton gave to us.

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1 And one thing that might be emphasized again
2 that Mary touched on was that in our breakout group
3 the most important discussion, and the longest one,
4 had to do with how much or how little power the
5 ruling agency should be, if in fact there is a ruling
6 agency, and there was a very clear lining up of
7 sides.

8 The public interest groups lined up on the
9 side of strong management, and I'd say typically the
10 water agencies, who were well represented in our
11 workout group, lined up on the side of MOUs and joint
12 powers agreements, which I personally would view as a
13 weaker way of handling this business.

14 But it was a good discussion and it was the
15 kind of thing that ties in with what Sunne was
16 speaking to earlier about having maybe breakout
17 groups at BDAC meetings for an hour or so, and it
18 ties in with what was being said by Byron Buck about
19 CUWA participating.

20 If CUWA or ag or whomever said let's at the
21 next BDAC meeting in July, pick a topic, and maybe
22 it's adaptive management versus assurances, or
23 whatever, and we had a breakout group discussion for
24 an hour and then summary presentations for half an
25 hour, it would be an opportunity for all of us to

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1 better communicate than we can with 30 people around
2 the table. Just a thought.
3 CHAIRMAN MADIGAN: Sunne?
4 MS. McPEAK: I have a question to Hap about
5 what was up there, and apologies to Mary that I may
6 not be remembering all that was there and I was not
7 also finding everything in the packet, but let me ask
8 in terms of assurances. It may actually have been
9 there.

10 The plans like the HCP that is referenced,
11 any of the particular new policies set forth, are you
12 considering as part of assurance some ratification
13 through the legislative process and/or contractual
14 agreements which we have also thought are stronger,
15 they are enforceable in court, the law gives also
16 basis for other parties to pursue compliance and
17 implementation, so looking at legislation,
18 contractual obligations, and thirdly, incorporation
19 into water rights.

20 MR. DUNNING: Yes, and there is a whole long
21 list of other things that are included in the
22 information packet that was put out for the workshop.

23 MS. McPEAK: Good. Okay.

24 CHAIRMAN MADIGAN: Steve?

25 MR. HALL: I want to second Ann's concern

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1 about the tension between certainty and adaptive
2 management, and it sounds, Hap, like you all have
3 addressed that and are wrestling with it.

4 It's clear that one thing we can count on is
5 that we really cannot predict what will occur in the
6 future and so we need to have some sort of adaptive
7 management, but that runs directly contrary to
8 everyone's need and desire for as much certainty in
9 the agreement for their interests as possible.

10 Has the group thought about providing as
11 much certainty as possible through the participating
12 entities and whatever new entities might be formed to
13 operate or govern operations, and then using a
14 contract to try to set up a process by which you can
15 adaptively manage because you know you're going to
16 have to. And if you can't provide people with
17 certainty that -- of an out come, I guess you have to
18 fall back on a process that assures everyone that
19 they will have a reasonable shot at having their
20 interest protected in that process.

21 And having been involved in negotiations on
22 the 1994 accord, we have essentially operated much of
23 our Delta operations under that accord for almost
24 three years now. And when it has been adhered to, it
25 has worked pretty well. Not nearly enough time was

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1 spent negotiating it because we were under a very
2 hard and fast deadline. So there are some
3 differences of interpretation, there are some flaws
4 in it, but by and large it has worked well.
5 If we had more time, and we do, it seems to
6 me we could design a contract that would provide for
7 processes that would accommodate both certainty -- or
8 if not certainty, assurance, but fairness, and
9 adaptive management, provided that legislatively you
10 provided for the right organizations to be in place
11 to operate under that contract.

12 Is that the direction that the group is
13 heading?

14 MR. DUNNING: Well, I agree with what you
15 say, but I think you have to recognize that the
16 process agreement can't be in concrete anymore than
17 the substantive agreement; that changes in process
18 will likely happen along the way. So that's what
19 makes it particularly challenging and difficult.

20 MS. McPEAK: Actually, I don't think we have
21 agreement on that point.

22 MR. DUNNING: Pardon me?

23 MS. McPEAK: I don't think we have agreement
24 on that point. I think that would be an interesting
25 item of difference, Hap, that it would be possible to

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1 be very specific, explicit, and set in concrete, if
2 you will, the process to be followed in pursuing
3 adaptive management so that there can be some
4 certainty of process as we move forward to evaluate
5 the effectiveness of the ecosystem restoration and
6 how far is it getting to the objective, and that we
7 could spell out the process at specific times, time
8 intervals, time intervals against performance
9 objectives or both integrated into one that would
10 trigger further review in response and what we would
11 therefore need to do to, if you will, continue
12 further to move towards that objective.

13 I don't -- and I actually don't think you
14 and Steve and I are probably saying a lot of much
15 that's different, I'm just saying I believe that most
16 of us would probably say we can come up with a very
17 specific, at least very reliable process that would
18 be explicit and still have the concept of adaptive
19 management integrated into it.

20 MR. HALL: To just add on, I have the luxury
21 of not having had to rustle with it as much as you
22 all have, but I think I agree with Sunne that if we
23 can't provide in the contract assurance of outcome,
24 we have to provide something close to complete
25 assurance in process. I mean, we have to give people

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1 to become apparent sometime very soon that there will
2 have to be some joint meetings of these -- certainly
3 those two work groups, the res -- the ecosystem work
4 group and the assurances work group. Mary did come
5 to our work group at the end of March and challenged
6 us to think about these issues, and I think
7 everyone's eyes glazed over a little bit.

8 But we actually did move on and have a
9 very -- I think a very good discussion at our meeting
10 in April about just these kinds of issues,
11 particularly with regard to adaptive management and
12 whether you can build some kind of organizational
13 structure or process that can address some of these
14 kinds of concerns.

15 So I just wanted to say briefly, some of
16 the -- and other people who were in the work group
17 might want to add to this, starting using as a basis
18 a memo that Gary Bobker had put together which
19 outlined some of the potential ideas for different
20 kinds of organizational structures that a Bay-Delta
21 ecosystem authority might have, which is very similar
22 actually to, I think, what came out of the assurances
23 workshop.

24 I think it raised some important points
25 about the extent to which you can, if possible, find

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1 a lot of security in the process since we can't
2 provide them with a lot of security of outcome.

3 MR. DUNNING: Well, my point is more than in
4 designing that process, you need to keep into account
5 that experience counts. And as with adaptive
6 management, you learn things as you go along. And
7 you don't want to put yourself in a position where
8 your process agreement provides for something that's
9 unduly rigid. I certainly understand what you're
10 saying, Steve.

11 MR. HALL: I think we would all agree that
12 whatever contract we come up with will probably have
13 to be amended in the future as we gain experience.
14 But even the process for amendment of the contract
15 has to give some people some pretty strong
16 assurances.

17 CHAIRMAN MADIGAN: Mary, and then Alex.

18 MS. SELKIRK: I was going to reserve my
19 comments because I'm supposed to give a report on the
20 ecosystem restoration work group, but this really is
21 part and parcel of some of the comments that I wanted
22 to make about at the discussions at the last work
23 group meeting because it pertains directly to these
24 issues, obviously.

25 A couple things that -- I think it's going

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1 some kind of synthesis between indemnification on one
2 hand and adaptive management on the other. Pete
3 Rose, who had worked on the Everglades program,
4 talked in terms of time frames; that they are working
5 in a 10-year time frame.

6 That was one thing that the work group began
7 to think about since we are talking about a
8 30-year -- potentially 30-year ecosystem restoration
9 program, are there ways within certain parameters
10 from a biological, ecological standpoint to do that,
11 to provide some kind of protection on the one hand
12 while not comprising the restoration efforts on the
13 other.

14 So I think that that -- and again, that's
15 going to be a huge part of our agenda next week.
16 That's the point that our work group has gotten to,
17 which is where I think Stu probably wished we were a
18 year ago. But I don't think we were ready a year
19 ago.

20 So I have some other comments, too, but...

21 CHAIRMAN MADIGAN: Okay, thanks.

22 Alex?

23 MR. HILDEBRAND: It's obvious that
24 acceptable assurances are a very difficult topic.
25 But I think we need to recognize that some of the

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1 physical configurations lend themselves to
2 maloperation a lot more than others, and that
3 therefore, we should take a look at how we could
4 modify the alternatives physically to make
5 maloperation difficult. And I don't think we have
6 been doing that.

7 In fact, there's, I think, some unintended
8 wording in here that leads one to get nervous because
9 it says, "The final preferred alternative resulting
10 from the Phase 2 process will include a set of
11 institutional assurances to complete the package."

12 That can be read to imply we are going to
13 pick the alternative first and then figure out how to
14 provide the assurances. I think it's very much got
15 to be the other way around, is to look at what
16 assurances are feasible, how can we utilize the
17 physical configuration to assist in achieving the
18 assurances, before we pick a preferred alternative.

19 CHAIRMAN MADIGAN: Thank you.
20 Hap?

21 MR. DUNNING: I want to assure Alex that in
22 the assurance work, physical constraints is
23 explicitly one of the things being considered. It's
24 not entirely institutional.
25 CHAIRMAN MADIGAN: Okay. Thank you very

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1 much. That's real progress and I am greatly pleased
2 by that.

3 We had scheduled lunch for 12:30. It's
4 possible that we will be a little bit early for that,
5 but let me go on to the BDAC work group reports and
6 ask Mary for her report.

7 Eric had to leave for lunch. He'll be back
8 and we'll pick him up afterwards.

9 MS. SELKIRK: I just wanted to add a few
10 more comments with regard to this issue of assurances
11 that I think has been alluded to, which is that I
12 think increasingly in our work group we are going to
13 be debating from -- in thinking of -- beginning to
14 think about organizational structures to carry out
15 such a comprehensive restoration program, whether
16 some of the kind of intangible process assurances, if
17 you will, can be reflected in a particular kind of
18 organizational structure.

19 For example, would the creation of a
20 quote/unquote environmental trust that had equal
21 decision making or representation from extractive
22 users, governmental bodies, regulatory agencies,
23 environmental organizations, provide some kind of --
24 don't freak out -- provide some kind of assurance, if
25 you will, that an adaptive management program is

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1 going to be supported with deliberation and input
2 from every conceivable interest group.

3 Those are the kinds of discussions I think
4 we are going to have increasingly, and I'm looking
5 forward to doing that with the folks in the
6 assurances work group because they have been living
7 and breathing this much more than the ecosystem work
8 group has.

9 Just on one final note, I want to make this
10 brief, as you probably know -- I don't think -- Dick,
11 are you going to do a presentation today?

12 No.

13 MR. DANIEL: No, team up with Lester.

14 MS. SELKIRK: Okay.

15 The ERPP is supposed to be out fairly --
16 sometime soon, and there is going to be a -- that
17 you'll hear about I'm sure in more detail -- a peer
18 review process happening sometime in the next couple
19 of months. There will be a panel of nationally
20 recognized experts that are going to be convened to
21 review and do a critique of the plan.

22 And the work group has been deliberating on
23 two issues. One is we have had input on the criteria
24 for choosing the members of the panel. The
25 discussion at our last meeting centered primarily on,

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1 interestingly, how public that panel should be over
2 the course of a three- or four-day format, whether
3 there was some advantages to having some parts of the
4 technical debate be not public, how public if public,
5 and what form?

6 I thought it was actually a pretty
7 interesting microcosm discussion about some of the
8 issues that we deal with here, and there were strong
9 views held on a number of different sides on this
10 issue.

11 I think there was some consensus that by and
12 large the panel should be an open process with public
13 observation as opposed to public participation. In
14 other words, the panelists would be asked to
15 deliberate in a public forum but without debate with
16 people in the audience.

17 There were -- we also began to develop some
18 suggestions for the kinds of questions that will form
19 the basis of the technical -- for the peer review.

20 And what else?

21 The primary agenda items next week will be
22 assurances and adaptive management, no surprises
23 there.

24 CHAIRMAN MADIGAN: Hap?
25 MR. DUNNING: I'm all for cooperation

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1 between and among the work groups. I continue to
2 have some concern, and I think I mentioned this a
3 long time ago at a BDAC meeting, is that given the
4 limited human resources we have for BDAC, whether
5 it's really the right thing for the ecosystem
6 restoration work group to going be going so deep into
7 matters such as organizational structure when that's
8 precisely what the assurances work group is focused
9 on. I'm just not sure it makes sense overall.

10 CHAIRMAN MADIGAN: Thank you.
11 Lester?

12 MR. SNOW: Mary -- either Mary may have a
13 comment on this also, but there's one issue that's
14 apparent to me of why this really isn't redundant.
15 And in the ecosystem restoration program, I think
16 what's developed there is a real strong, call it a
17 gut level feel for the kinds of actions that need to
18 be taken, decisions that need to be made and
19 sustained over a long period of time.

20 And so in that case, there's the, you know,
21 real specific understanding that when we're pursuing
22 150,000 acres of tidal wetlands over a 30-year
23 period, they've got a lot more focus on the nature of
24 the institution and the assurance that the money is
25 there to make the things happen. So it seems like we

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1 can get the benefit of their specific thinking that
2 can be fed into the broader assurances package and
3 not have duplication.
4 In the absence of that effort, then the
5 assurances group is dealing a little more abstract
6 with the kind of decision making whereas they have
7 some very, very specific issues of sustaining
8 restoration over that period of time. I mean, at
9 least that's how I look at it and justify to myself
10 that we don't have overlap. But certainly, Mary may
11 have some views on that also.

12 MS. SELKIRK: Well, you know, I'm not a
13 biologist, but I do think that the breadth and depth
14 of experience in the room in this work group in terms
15 of the folks that have actually been on the ground
16 either, you know, through a federal agency or a state
17 agency or even a local restoration project, that they
18 are the people that know what it takes to implement a
19 set of actions and have them sustained over time. So
20 I do think that that kind of input is important.

21 CHAIRMAN MADIGAN: Stu, and then Roberta.

22 MR. PYLE: I think that, Hap, you should
23 kind of -- maybe this is something you want to look
24 at, but this is not a theoretical situation that's
25 going to occur sometime in the future after a lot of

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1 agreements are going on.
2 This is a problem that's been going on for
3 quite a number of years, and it really comes to a
4 head with all of the activity that has to take place
5 under the CVPIA improvements, the funds that are
6 going to be there to take care of Category 3 works
7 under the Delta, the money that we were just talking
8 about getting from Washington, all of these agencies
9 are currently in a process of needing to have this
10 interaction to have a process by which the ecosystem
11 restoration programs can come into a review
12 situation, get approvals, get funding, get
13 implementation, get monitoring and so forth.

14 This is something that really has to be
15 worked out right now. And I think the people that
16 have to work it out are the people that are involved
17 in the agencies that are in the ecosystem. This is
18 where -- I don't want to just bring it into college
19 professors and economists, but this is something that
20 they really have to take on right now and get on
21 with. And that's kind of why Mary says I've been
22 bringing it up for a year, but I think it's one of
23 the most important problems we have.

24 And you can go back to the experience in the
25 Department of Water Resources, Fish and Game, and all

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1 of the agencies involved in the Delta 4 pumps
2 agreement; that there's been an eight- or nine-year
3 history of a very difficult process in spending just
4 small amounts of money and getting a good works out
5 of them.

6 CHAIRMAN MADIGAN: Thank you.
7 Roberta?

8 MS. BORGONOVO: I think that it's important
9 for the whole BDAC group to get involved in that kind
10 of a discussion, and I think that assurances really
11 can't be over by themselves. We -- assurances have
12 come up in every work group that I've participated
13 in, so at some point we have to figure out how the
14 CalFed progress does integrate it.

15 And Stu's right, these decisions are being
16 made right now and there's the ecosystem round table
17 that is also making these kinds of discussions. So
18 some way of integrating it, I think, is very
19 important.

20 But my last question was, was there a
21 decision made to have a scientific panel at least be
22 observed by members of the public?

23 MS. SELKIRK: Yes, yes.

24 CHAIRMAN MADIGAN: Judith?

25 MS. REDMOND: But the water use efficiency

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 1 work group also had a lot of discussion about
 2 assurances and I would hate to have that discussion
 3 and those recommendations get lost because they
 4 hadn't taken place in the assurances work group.
 5 I mean, I think that they're -- that the way
 6 we viewed it when we were having those discussions
 7 was that we were talking about assurances within one
 8 component of this big picture that the assurances
 9 work group would be looking at and -- or I think we
 10 were hoping that there would be an integration
 11 process where putting all the pieces together and
 12 looking at all the different recommendations would
 13 take place in the assurances work group.
 14 But we -- you know, I don't know if some
 15 sort of memo to your group, Hap, summarizing the
 16 discussions specific to assurances would be useful,
 17 but we did talk a lot about assurances and I hope
 18 that those discussions could be helpful and reflected
 19 in your work.
 20 CHAIRMAN MADIGAN: Thank you very much.
 21 Thank you, Mary, good report.
 22 All right. It is now 12:16, we are going to
 23 break for lunch. Let's try to be back by 1:00. For
 24 those of you on the BDAC, lunch is in Room 318 which
 25 I am reliably informed is across the hall. For

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 1 others, there are restaurants in the area. We will
 2 see you at 1:00.
 3 Thank you.
 4 (Lunch recess was taken from 12:16 to 1:10)
 5 CHAIRMAN MADIGAN: Good afternoon, 1:00
 6 having arrived, if the members of the BDAC would
 7 reassemble we will get started.
 8 The first item on the agenda will be
 9 Lester's presentation continued from this morning on
 10 Phase 2 alternatives.
 11 MR. SNOW: Okay. The way I want to start
 12 this is by making reference to the two documents, one
 13 you received in a packet in the mail, the other we
 14 provided you today. These two documents together are
 15 certainly the most detailed description to date of
 16 the alternatives.
 17 And I guess the point I want to make is I
 18 don't want the presentation we are going to try to
 19 give you to summarize these to be a substitute for
 20 the information that's in here.
 21 One of the things that we have discovered in
 22 trying to prepare a presentation for today is just
 23 how difficult it is to figure out what you put in a
 24 presentation to accurately describe these
 25 alternatives. And I guess I might add I think we

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 1 have concluded you can't do it. At best, you try to
 2 pick some high points and some specific issues that
 3 are really important about an alternative and how it
 4 works together that's just not a substitute for
 5 really delving into the alternatives.
 6 And I think with that in mind, one of the
 7 questions that we wanted to ask BDAC today to maybe
 8 answer toward the end of this presentation, is what
 9 you want to hear about in particular. And I think
 10 that ties into a lot of the discussion we had this
 11 morning. We've picked off some things that we think
 12 characterize the alternatives point to issues of
 13 importance, but we need to start hearing from you
 14 what you want to hear more detail about.
 15 I know -- I've talked with some of you, I
 16 know that Rosemary is interested in hearing about
 17 water quality; that a lot of the material that we
 18 have brought forward to date doesn't give you a good
 19 explanation of the water quality program and how it's
 20 integrated.
 21 Tom Maddock (phonetic) has often expressed
 22 concern about a good handle on the costs which we
 23 have on track and costs will come on line.
 24 But I think we need to hear maybe a little
 25 bit more about specifically what you want to know

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 1 about these alternatives, what some of the points
 2 are. And, again, we've come up with a way of kind of
 3 walking through this to give you maybe a better feel
 4 of how these work.
 5 What I want to do is give you a brief
 6 orientation on the 17 variations that we have, the
 7 three alternatives with basically 17 variations, and
 8 I want to do that very quickly. Then I want to use
 9 Alternative 2B to walk through in a little more
 10 detail and try to start talking about integrating
 11 these different components.
 12 One other little orientation thing, this is
 13 related to the mail-out packet, the blue report, we
 14 have summaries of the common programs in here. And
 15 at the back of that section is kind of a new thing,
 16 and I think it's on page 18, you don't really have to
 17 look at it, but we titled that section "Elements
 18 Included in Several Common and Variable Programs."
 19 The real significance in here is we realized
 20 that we were starting to have some program elements
 21 that don't fit into the kind of classic component
 22 construction that we've had before.
 23 The first one that's in here is "Watershed
 24 Management." Watershed management doesn't just fit
 25 into the ecosystem program, it doesn't just fit into

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1 water supply reliability, it doesn't just fit into
2 water quality. It actually addresses all three of
3 those. And so we've started to highlight some of
4 those kinds of programs that are really crosscut
5 programs; they don't fit neatly into one of the
6 components that we've always talked about, they
7 actually address a much broader category of
8 activities.

9 The other one that we included in here was
10 "Transfers." Same thing, it's not just water use
11 efficiency, it's a component of ecosystem
12 restoration, a component of water supply reliability.

13 And then the issue of "Subsidence Reversal
14 in Delta Habitat Restoration." It's not just the
15 levee program, it's not just ecosystem restoration,
16 it's really both of those. So we've started to
17 identify some of those crosscut programs.

18 Okay. So I'm going to kind of start with a
19 quick overview of the 17. I want to start, as we
20 usually do, with some classic overheads here.
21 Keeping in mind that we had these basic five
22 configurations -- five components rather, ecosystem,
23 water quality, levee system integrity, water use
24 efficiency and storage and conveyance.

25 CHAIRMAN MADIGAN: Some of the old overheads

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1 are still the best, Lester.

2 MR. SNOW: That's right. You know, when you
3 select your wine, you want that kind of aged wine.
4 It's the same with overheads. I'm glad you agree.

5 This is a tough crowd today, Mike.

6 CHAIRMAN MADIGAN: Yeah. It's after lunch,
7 you know, give them a few minutes.

8 (Discussion off the record)

9 MR. SNOW: Where we have gone from there, we
10 have the common programs, variable programs, and
11 what's happened is we've looked at kind of the three
12 basic configurations, the three alternatives, we've
13 ended up with 17 variations of those. Again, I want
14 to give you a feel for that and then focus on 2B.

15 This is a slide we used the last time to
16 kind of show the 17 and then how you trigger the
17 storage options where some have no storage and others
18 have storage in them and upstream in Delta, off
19 aqueduct. So that's kind of the matrix approach we
20 used that last time. But again, what we have is
21 those basic variations.

22 I guess I would jump ahead a little bit and
23 just indicate that as we evaluate these 17 and we
24 move forward, we do a refinement and adjustment. The
25 preferred alternative at the end may not be one of

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1 these precisely. It could end up being 2B prime
2 where you've taken basically an alternative and
3 you've made some adjustments to it to make it work
4 better. So this is how we're moving into our
5 evaluation, but as we go through it you may make
6 adjustments to it.

7 Let me talk real quickly about all
8 Alternative 1. As you recall, Alternative 1 is based
9 on the existing system. And within that,
10 Alternative 1A is the existing conveyance system, the
11 existing storage system is based on reoperation.

12 Alternative 1B, again based on the
13 reoperation but with changes to the Central Valley
14 project and State water project in terms of
15 inter-ties, improved fish screens and improvements in
16 the South Delta area.

17 Alternative 1C picks up those features and
18 then adds storage to it.

19 Alternative 2, it's based on modification up
20 through the Delta, and this gives you kind of a
21 matrix of what's in those variations. What you see
22 here, you see three of these approaches that are
23 based on screen diversions for through-Delta where
24 you're up on the Sacramento River and you're actually
25 screening to move water through-Delta. You also see

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1 that you have a variation between channel
2 modifications or, in fact, you are making a much
3 wider path through the Delta by flooding some of the
4 islands. And then you can see here that you add
5 storage onto those features.

6 Alternative 2C is a little different than
7 the others. You have these screen diversions, you
8 have this as an unscreened through-Delta. This is an
9 alternative that is based around actually pumping out
10 of the central pool but doing it in the central Delta
11 and not in south Delta. So it's the basic
12 configuration of Alternative 2.

13 Alternative 3, you take the through-Delta
14 approaches, and you add to it various configurations
15 of an isolated facility. 5,000 cfs, you see that's
16 in number of configurations, some in open channel,
17 some in pipeline, some with storage, some without
18 storage.

19 Then you can see an alternative with 15,000
20 cfs, open channel. You can see a through-Delta
21 that's basically chain of lakes, and what that means
22 is you're isolating from the Sacramento River, you're
23 putting it in a series of lakes in the Delta but
24 you're not commingling it with the Delta supplies.

25 I see an isolated facility built around the

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1 ship channel, and again in this case a 5,000 cfs
2 facility with storage and also some major islands.
3 And this is, I mentioned in the through-Delta,
4 strategy for through-Delta that includes some central
5 Delta pumping as a way, and this combines an isolated
6 facility with that.

7 The one thing I want to stress --

8 CHAIRMAN MADIGAN: Lester, did you want to
9 take any questions as you go or did you want to hold
10 questions until the end of your presentation?

11 MR. SNOW: Why don't we go ahead and take
12 questions, and then if I'm going to deal with it in
13 the presentation, I'll just let you know.

14 CHAIRMAN MADIGAN: Okay. Steve, Alex.

15 MR. HALL: Lester, does your modeling -- I'm
16 assuming you're running all of these configurations
17 through a computer model and your model is sensitive
18 enough so that you could take any one of those and
19 plug in various conveyance capacity numbers into each
20 one of those configurations and come up with an
21 answer.

22 MR. SNOW: Well, I think it remains to be
23 seen whether our modeling is completely sensitive
24 enough to draw the distinctions that we need. I
25 mean, the short answer to your question is yes, that

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1 is we're trying to do.

2 You know, how much we can distinguish
3 between these configurations and then alternative
4 operating schemes, how definitive that is remains to
5 be seen.

6 MR. HALL: Well, I guess, let me ask a
7 threshold question then. What is the answer you're
8 looking for when you do a model run?

9 MR. SNOW: Well, how it performs. I mean,
10 what kind of water quality you can expect, what type
11 of fish flows that you can meet, what type of water
12 supply, windows for transfers. I mean, there's a lot
13 of data points and maybe we can describe that in a
14 little more detail later when we talk about
15 evaluation.

16 The last meeting we presented kind of this
17 very complicated matrix where you look at the
18 alternatives and then there is a whole bunch of
19 performance indicators.

20 MR. HALL: Right.

21 MR. SNOW: And so there is literally
22 hundreds of these kind of performance things we are
23 trying to hit. And what -- the reason that maybe I
24 shouldn't have been as circumspect as I was in
25 answering your first question, it's just it remains

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1 to be seen at this point when we take all these
2 alternatives and we array the urban water quality
3 that results, how definitive that's going to be in
4 distinguishing between all of these different
5 configurations.

6 MR. HALL: Right.

7 MR. SNOW: Because some of these changes are
8 more subtle than others and some places will have
9 very good numbers that we're confident in, proud of,
10 and other places it's going to be much more
11 qualitative.

12 CHAIRMAN MADIGAN: Alex, and then Roberta,
13 and then Tom.

14 MR. HILDEBRAND: I have two or three
15 clarification questions.

16 First, on the levee business, in the
17 subcommittee it was my understanding that we all
18 agreed that no matter what we did, we still had some
19 risk of levee failures, and that therefore, it had to
20 be included in all of the alternatives a provision
21 for being able to respond quickly to repair such
22 things when they occur, both financially and
23 physically, and I don't see that in any of these.
24 Was that deliberately left out or by oversight?

25 MR. SNOW: No, that should have been

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1 explained in the appendix in the common program.

2 MR. HILDEBRAND: We didn't get the appendix
3 until today.

4 MR. SNOW: Yeah, that's a part -- in fact, I
5 intend to address that a little later, the basic
6 elements.

7 MR. HILDEBRAND: I know you want to focus on
8 2B and that's fine with me, but could you just very
9 briefly give the rationale for some of the things
10 that are kind of new to us here. For example, on 2C
11 I think it is, you have these connections from the
12 various places in the central Delta to Clifton Court,
13 and it isn't clear just what that's supposed to
14 achieve, nor is it clear why when you do that you no
15 longer have any flow controls to protect the water
16 stages in the south Delta.

17 MR. SNOW: Okay. I guess what I would like
18 to do, if this is okay, is go through Alternative 2B
19 and then come back to that because we actually have
20 graphics to cover all the alternatives. But I'd like
21 to do a full alternative and then come back to these
22 variations, if that's okay, Alex.

23 MR. HILDEBRAND: That's fine.

24 CHAIRMAN MADIGAN: Okay, Roberta.

25 MS. BORGONOVO: This was a general question

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1 and we had -- some people had asked you when you
2 talked to the environmental group, but will the
3 position of X2 actually show up for these different
4 model runs, how it affects that water quality
5 standard in the Delta?

6 MR. SNOW: How it affects water quality will
7 be -- I'm not familiar -- Steve says yeah, it will
8 show up that way.

9 MS. BORGONOVO: And specifically X2?

10 MR. SNOW: Yes.

11 MS. BORGONOVO: Thank you.

12 CHAIRMAN MADIGAN: That was a "yes"?

13 MR. SNOW: Yes, sorry.

14 CHAIRMAN MADIGAN: All right, Tom.

15 MR. GRAFF: I actually have a variation of
16 that question. My understanding -- what I was told,
17 anyway, about the Schuster model runs for the
18 ag/urban for group, that one of the ways yield gets
19 created in the new facility is by loosening the
20 existing Bay-Delta accord outflow standards. And I
21 wondered what -- when you do your model run, are you
22 maintaining the standards developed in the existing
23 accord?

24 MR. SNOW: The short answer is yes, in the
25 sense that we -- our base case and no action include

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1 the accord is where we start from. When we do the
2 modeling, we are looking at variations of the
3 standards because it's been generally recognized -- I
4 mean EPA made this point to us, that when you change
5 the configuration of the system, you can't assume
6 that the current standards provide the protection
7 that you wanted in the original system. So we will
8 look at variations, we will always have as a
9 reference point the existing standards.

10 MR. GRAFF: Variations up or down?

11 MR. SNOW: Both.

12 MR. GRAFF: Who will testify those?

13 MR. SNOW: Who will justify those? I'm not
14 sure what you mean.

15 MR. GRAFF: Well, in other words, who is
16 going to tell you it's okay to change -- to move the
17 X2 upstream?

18 MR. SNOW: Ultimately the State Board. And
19 if you're looking for the regulatory proceeding, we
20 need to make a determination what flows are necessary
21 for fisheries, and that's part of the ecosystem
22 restoration program, and then try to evaluate, you
23 know, how we would operate the system. I mean,
24 that's the stage that we are in right now, to see how
25 we can operate these systems to meet the multiple

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1 benefits of the program.

2 So hopefully we are setting kind of a range
3 that represents a bookend and then coming in, as
4 we've tried to actually do in this product, and
5 represent kind of a middle approach to it.

6 CHAIRMAN MADIGAN: Tom, is the question
7 you're asking in a sense what are the fixes in the
8 modeling process?

9 MR. GRAFF: Yeah. I think what's going on
10 in is that in order to demonstrate that the dual
11 facility adds water supply, one of the ways you do
12 that is you assume less water goes out the system and
13 then you say, well, it's not necessary for the fish
14 anymore. I mean, that's my understanding of the way
15 it's being --

16 MR. SNOW: Well, that's not the way we're
17 doing it, Tom. I mean, that's not one of the ways
18 you justify an isolated facility and it's not the way
19 we are doing this.

20 I mean, what we are trying to do is get as
21 much decision-making information on the table as we
22 can. We could care less whether an isolated facility
23 is justified. We are trying to get the analysis done
24 so we can make those informed decisions.

25 And when we get -- we can show you an

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1 isolated facility and we will show you the kind of
2 range we are looking at. And so we are evaluating
3 facilities with all the current requirements in
4 place, no change to them. That may not be
5 reasonable, but it gets at the issue that you're
6 talking about.

7 Then we also can devise an operating
8 parameter we think is more reasonable and is
9 protective that might have more flexibility, and then
10 we can make judgments about that.

11 CHAIRMAN MADIGAN: Is it then that something
12 like X2 is being viewed as an outcome rather than an
13 input?

14 MR. SNOW: It's both.

15 CHAIRMAN MADIGAN: It's both. Okay.

16 MR. SNOW: I mean, it's the current
17 condition, it provides protection in the system. And
18 so if you're going to modify it or depend on a
19 modification of it, you have to be able to justify
20 that you're providing an equal or greater protection.
21 And so I think it can be an outcome, you could show
22 that a wider range of X2 moving is beneficial to the
23 system. You could say that it needs to be where it
24 is today. You could say that it needs to be more
25 aggressive.

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1 CHAIRMAN MADIGAN: Bob?

2 MR. RAAB: Are you figuring in what happens
3 to the San Francisco, San Pablo Bays after X2 ceases
4 to apply, which is, what, July 1st of every year?
5 Doesn't the X2 standard have a cutoff date in the
6 middle of year, and after that what?

7 MR. SNOW: There's always some sort of
8 requirement that governs outflow.

9 MR. RAAB: Pardon me?

10 MR. SNOW: There's always some sort of
11 requirement in the system that governs outflow.

12 MR. RAAB: There is?

13 MR. SNOW: You can't drain the Sacramento
14 River.

15 MR. RAAB: No, but I'm -- but what -- does
16 that then follow that you can in the latter half of
17 each year make a substantial reduction inflow into
18 the bays, less than what's coming in now? Is
19 there -- I'm just wondering -- maybe I'm not making
20 it clear. I'm just wondering what happens, if my
21 premise -- if I understand X2 correctly, it's true
22 that it doesn't exist for the whole year. Is that --

23 MR. SNOW: I've never heard it phrased quite
24 that way. I guess I'm not following you exactly.
25 Steve, do you?

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1 MR. YEAGER: Well, I think maybe Bob is
2 referring to kind of the interchange of standards.
3 X2 is the controlling standard over much of the early
4 part of the year and into the spring and then the
5 control moves to outflow standards.

6 We are not looking at changing those outflow
7 standards or using those as a base for our model, so
8 they are -- we are not changing the way that the
9 Sacramento River influences San Pablo Bay during that
10 period after the X2 ceases to be the control.

11 MR. RAAB: Okay. That's what I was getting
12 at, thanks.

13 CHAIRMAN MADIGAN: Sunne?

14 MS. McPEAK: Lester, on the Alternative 3
15 chart you had up there before, two questions that I
16 would like to just revisit.

17 It appears to me that in that alternative it
18 is assumed that the dual facility -- in the dual
19 facility there definitely will be an isolated
20 facility with maybe nonisolated improvements as
21 opposed to nonisolated improvements in your
22 Alternative B, with isolated as an option under
23 certain circumstances whether -- for example, whether
24 or not the nonisolated improvements meet the
25 ecosystem performance standards, then going to

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1 isolated.

2 Now, so that's -- I'm observing something.
3 Am I right in now thinking that what you're proposing
4 there under Alternative 3 is definitely an isolated
5 facility no matter what?

6 MR. SNOW: All isolated 3 are dual systems,
7 and dual system means through-Delta and isolation.
8 So by definition, everything we have in Alternative 3
9 has an isolated facility as part of it. And then
10 everything in Alternative 2 has through-Delta
11 improvements in it.

12 For example, 3B is 2B with an isolated
13 facility added to it. That's the kind of
14 relationship that they have between the alternatives.

15 Does that answer your question?

16 MS. McPEAK: Maybe.

17 And the 5,000 cfs is still the lowest
18 parameter you've evaluated, although a couple times
19 before we've sort of tagged the 3,000 or acknowledged
20 that that's been raised. Can you at some point,
21 either now or later in the presentation, discuss why
22 you are making that choice?

23 MR. SNOW: Yeah. I mean, it turns out that
24 the reason that you would do a small isolated
25 facility is probably related to water quality or

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1 drinking water quality. And Steve and folks have
2 evaluated the drinking water quality requirements or
3 the urban water quality requirements and it ends up
4 pretty much in this neighborhood, 4,800 cfs,
5 somewhere around there.

6 So to go below that, which you could, you're
7 simply saying you're not going to meet all of the
8 urban capacity needs. So you can evaluate it but
9 we're not sure why you would go that low.

10 MS. McPEAK: Okay.

11 MR. SNOW: Okay. What I want to do is try
12 to go through Alternative 2B and we will get into a
13 lot more of some of these kinds of questions that
14 have come up.

15 One thing, I tried to stress it at the
16 beginning, but we've got the common programs going on
17 in all of these and we have made attempts to try to
18 highlight them when we go through this. However, I
19 want to stress particularly in this case, since it's
20 hard to show kind of a graphic of where it's
21 occurring, that we've got the assumption of water use
22 efficiency and these kinds of activities going on in
23 all of the alternatives, conservation activities,
24 improvement in the diversions for environmental
25 purposes, water recycling and water transfers. I'll

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1 try to draw attention as we go through it to where
2 that takes place, but I wanted to stress that even
3 before we get into it.

4 Also, in terms of locating certain things,
5 these are all representative only as examples of how
6 things could work to kind of give us the ability to
7 model this stuff. It doesn't quite fit on here but
8 this is Alternative 2B.

9 Dick, you probably should come up so you can
10 talk a little bit about the meander zone. I want to
11 start at the top because what's difficult to explain
12 is this whole system works together. And so this
13 isn't just about the storage and conveyance, it's
14 about everything else that's going on in the system.

15 So you start at the top, and what we have
16 going on here is dealing with mine drainage issue,
17 part of the water quality program, to improve water
18 quality in the system for both fisheries as well as
19 out of stream uses.

20 Also, you have improvements in waste water
21 treatment plant in terms of the discharge,
22 specific -- site specific watershed management
23 activities on some of the tributaries, and I want
24 Dick to talk about that a little bit.

25 And then this whole region here is what

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1 we've targeted for the meander zones which provide a
2 very specific ecosystem benefit. You will see the
3 issue of gravel replacement, not only in this area
4 but when we get down to the San Joaquin, it's an
5 important feature there.

6 Maybe I'll have Dick talk a little bit, but
7 it's important to our scheme in this case that the
8 diversion is in the Chico landing area for the
9 off-stream reservoir. And the reason is the
10 productivity in this area before you get into the
11 levee portion of the river.

12 Dick, do you want to address some of the
13 ecosystem system activities and then we'll move back
14 to the storage.

15 MR. DANIEL: Yeah, I think perhaps I'll just
16 focus on some of the things we haven't talked about
17 much before.

18 Think of this little green circle here as
19 Deer Creek and Mill Creek, perhaps Battle Creek. In
20 response to some comments that Alex made earlier, the
21 flows in those streams are deficient. They are not
22 very large streams. There's a fair amount of
23 agricultural activity that goes on there, perfectly
24 legitimate water use, that depletes flow in the
25 stream during periods of the year when it's very

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1 critical from a fishery standpoint. There are no
2 reservoirs.

3 In those instances we will have to go into
4 those areas, talk with landowners and water users and
5 see if there are willing sellers who would be willing
6 to convert to groundwater during critical times of
7 the year so that we can augment flows.

8 Another opportunity that is presented in
9 that particular area is in the upper watersheds. The
10 watersheds have been degraded to some degree, not the
11 same in each one of those three watersheds but they
12 have been degraded. It may well be very practical to
13 go in with a watershed enhancement program that
14 changes the current runoff pattern to one that is
15 more environmentally beneficial to reduce the amount
16 of flashiness of the runoff, use meadows to attenuate
17 the flow, essentially work as a sponge and bring flow
18 down over a more prolonged period, thus generating a
19 lot of benefits. Also water quality benefits, as
20 well.

21 The meander zone we have talked a lot about.
22 It's very fundamental to the ecosystem system
23 processes and functions that we are trying to
24 reestablish, and we have the maximum opportunity in
25 this area where there is minimal bank protection

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1 present at the present time.

2 Part of the idea for looking at on-stream
3 diversion to off-stream storage down in this area is
4 that it is below the area of the river where the
5 river's natural processes still occur during certain
6 flow conditions. To deplete the flow by a diversion
7 would diminish those natural processes. So the
8 practical solution is let's take a hard look at
9 putting a diversion point downstream of that area so
10 we don't have to deal with potential impacts to those
11 natural processes.

12 It also has the advantage in that there is a
13 considerable amount of agricultural use in that area,
14 agricultural use that is supported by existing
15 diversions from the Sacramento River. Some are
16 screened, some are not screened, some are screened
17 inadequately.

18 If you take water during a high flow period
19 where the screening problem is much less, divert it
20 into storage and then use it, in part at least, for
21 agriculture in that area, you can defer the
22 diversions that currently take place during very
23 sensitive time periods.

24 Those are some of the kinds of ideas and
25 concepts that are there.

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1 MR. SNOW: Dick got into the storage issue
2 which is important. These are kind of -- to set
3 these up to see how those alternatives work, we've
4 got to make some basic assumptions of how we operate
5 these things and then get into increasing detail.
6 What's going on in all the alternatives is
7 when we have storage, surface or ground, to utilize
8 that storage we've made an even split between
9 environmental purposes, urban and agricultural. So
10 every time we are doing something with storage, you
11 can look at that and split it three ways. So in this
12 case, million acre feet for each of these particular
13 uses.

14 CHAIRMAN MADIGAN: Mary?

15 MS. SELKIRK: Could you say a little bit of
16 why you made that call?

17 MR. SNOW: Why the even split? Just a place
18 to get started. I mean, basically, these can be
19 unique uses, you know, in terms of how you do it.
20 We've always had that we would spread the benefits,
21 and it's even part of the solution principles. And
22 so to kind of get started on how we would model this
23 we simply made an even split. We know that's not
24 necessarily going to stick, but that's how we've
25 gotten started with it.

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1 All these facilities at this point for this
2 level of analysis maximize average annual yield.
3 There's other ways to operate the reservoir. Those
4 are not excluded at all. Groundwater conjunctive use
5 are primarily operated for dry year yield, and the
6 diversions that are discharged into and out of
7 groundwater storage is about 500 cfs. You may not be
8 interested in that, but that's kind of how we had
9 started this.

10 Now, on the Sac River in particular, basic
11 assumptions of all in-stream flow requirements are
12 met before new diversions. Diversions and discharge
13 capacity to off-stream is 5,000 cfs. That's what's
14 represented here, that this would only occur when you
15 have flow events above 60,000 cfs. So you have
16 substantial flows before you start your activity to
17 divert into the storage.

18 CHAIRMAN MADIGAN: Sunne?

19 MS. McPEAK: Lester, the principles make
20 sense. I actually looked at like a few million acre
21 foot storage capacity and 5,000 cfs to fill it, and
22 your criteria is after you've got 60,000 cfs flow,
23 it -- does this work engineering-wise? That seems
24 like too small a straw, actually.

25 MR. SNOW: What's the best way to answer

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1 that? It may not work in terms of optimal economics
2 and I'd probably need to have Steve respond. But,
3 see, we're just starting this analysis. What this
4 could tell you is you can't support economically 3
5 million acre feet of off-stream storage.

6 MS. McPEAK: At 5,000 cfs -- well, I don't
7 know that -- I certainly am asking, it's not the
8 question of the cost of storage, it's also the
9 efficiency of filling it when you truly have very
10 high peak off-flows, which 60,000 cfs is. And it's
11 not there that I have a particular concern about the
12 size of the straw.

13 MR. SNOW: You're wondering why this isn't a
14 bigger diversion?

15 MS. McPEAK: Yeah. I'm saying, isn't it --
16 I'm concerned if there isn't a range of size to fill
17 in order to minimize impacts on the environment and
18 to maintain still peak -- the peak flows out when we
19 want them, but to still capture excess water when
20 it's truly excess, which happens in a very short
21 period of time.

22 MR. YEAGER: Your point is very valid. We,
23 in fact, did look at a range before we settled on
24 something like 5,000 cfs. And I want you to remember
25 this is not as a definitive number. It will be in

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1 the alternative, but it's representative.
2 When we get into site specific, if this
3 happens to be one of the alternatives that gets into
4 site specific analysis, we will be looking at a range
5 around 5,000. But our preliminary analysis in
6 looking at a full range of diversions from 3,000 on
7 up way above 5,000, indicates that from a kind of a
8 physical diversion standpoint and an economic
9 standpoint, that around 5,000 seems to make the most
10 sense; that is, when you look at how much water you
11 can divert when you have 60,000 cfs in the river,
12 physically through the diversion how much you can get
13 into storage, what the cost of building the canal is,
14 on up to storage, the cost of facilities for
15 diversion, you end up around that 5,000 cfs capacity
16 as one that kind of gets you the most diversion in
17 that short time frame for the right amount of cost
18 per unit.

19 MS. McPEAK: Okay. So the answer on this
20 5,000 cfs is different than the question I had asked
21 earlier. And I also want to make sure I'm
22 distinguishing between the questions I raised about
23 the size of isolated facility for delivery, I
24 understood your answer to be you sized it at 5,000
25 cfs because you looked at what was the need for

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1 drinking water purposes, and the only justification
2 for isolated transfer is water quality purposes.

3 MR. SNOW: Well, that -- the 5,000 in that
4 case is just one end of the range.

5 MS. McPEAK: Yeah, it's the bottom end, and
6 I --

7 MR. SNOW: The isolated facility is 5,000 to
8 50,000 cfs.

9 MS. McPEAK: Right, right.

10 MR. SNOW: And so we looked at what
11 rationale does one have to set the lower end of the
12 range for purposes of this analysis, and it was
13 related to drinking water quality.

14 MR. YEAGER: But also, as Lester pointed
15 out, ON the isolated part of the dual facilities, it
16 would be starting at that 5,000 cfs capacity value,
17 looking at values all the way up to the 15,000 that's
18 included in Alternative 3E, I guess it is, but -- and
19 also in the increments in between. So we are looking
20 at 5,000, 7,000, 9,000, and doing rough evaluations
21 of each one of those increments.

22 MS. McPEAK: Right. I mean -- I guess, the
23 answers I'm getting back suggest to me that maybe I
24 haven't made myself clear on the concerns.

25 I have two diametrically opposed concerns on

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1 the 5,000 cfs for the isolated facility versus the
2 intake for storage.

3 Is that clear to all of you?

4 MR. DANIEL: I think I understand your
5 concern and can help you a little bit.

6 One of the elements in this -- using this
7 concept of 5,000 is fish screenability. Once you get
8 much above 5,000 cfs, fish screens get to be a
9 significant challenge and you might have to go in
10 with a number of different versions.

11 Another part of it is the 60,000 number.
12 Now, that's a number that came out of the eco program
13 as a flow that needs to occur for relatively short
14 duration in order to cause the meander to happen.
15 That's the energy part of the meander.

16 Once that has occurred in a year, then that
17 would trigger the opportunity to divert water to
18 off-stream storage. And frankly, the volume of water
19 that tends to be available over and above in-stream
20 flow requirements, doesn't very often exceed 5,000
21 cfs on any kind of a regular basis.

22 So it's a water supply analysis in terms of
23 the frequency at which you'd actually be able to
24 operate the facility.

25 MR. SNOW: One of the things that I would

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1 add, the primary thing that is going on here is --
2 one way to put it is we are finally putting faces on
3 the concepts. What I mean by that, what we were
4 doing in Phase 1 that caused some concern here
5 because it was too general is that we would say that
6 there might be some off-stream storage in the Sac
7 Valley, and we would try to skim higher flows. And
8 that was a concept we talked about a lot.

9 Now, we are putting a face on the higher
10 flows, it's the 60,000 cfs that triggers it, we are
11 kind of creating a marker here on how you would
12 divert, and we've got a basic magnitude of the size
13 of the storage and now we can start beginning the
14 analysis.

15 So that's a lot of what's going on here.
16 There's no selection of any of these at this point,
17 but it's a way for us to start evaluating.

18 CHAIRMAN MADIGAN: Tib?

19 MR. BELZA: You have to realize that there
20 will also be a watershed there that will be
21 generating flows itself and capturing them. We're
22 not just -- I would assume you're not just taking a
23 hose and filling up a swimming pool. So that
24 watershed, wherever it's located, is going to capture
25 a lot of runoff at certain times so I think that

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1 would probably add to the -- make some more water
2 generated.

3 MR. YEAGER: That's true under -- we are
4 looking at a full range of storage options. For
5 surface storage, some of those are on-stream
6 reservoirs. However, the major part of the ones we
7 are looking at and those that we are putting a higher
8 priority on are the off-stream surface storage, and
9 those tend to have very small inflows from the water
10 sheds themselves. So --

11 MR. BELZA: Except certain times of the year
12 it can get -- you're right.

13 MR. YEAGER: I want to make another point
14 here as far as the diversion, too, so that we
15 understand the full range of it.

16 While the alternative graphic here shows a
17 diversion downstream of the meander zone, we are
18 looking at a range of diversions in the levee portion
19 of the river as well as in the meander zone. And
20 these operating criteria that you see here apply to
21 those two cases; that is, if we are making a
22 diversion in the area of the river, the meander zone
23 area, then this 60,000 cfs flow event to start the
24 geofluvial processes has to supply before we start
25 making diversions out of this portion of the river,

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1 and then the diversions will continue whenever they
2 are above the in-stream needs.
3 Now, for diversions in the levee part of the
4 river, I guess from Chico landing down, the flow
5 event, the 60,000, does not trigger the start of
6 diversion but instead the in-stream requirements and
7 other kinds of requirements because in levee section,
8 of course, the geofluvial is not as important as in
9 the meander zone.

10 MS. McPEAK: So I think, Steve, you just
11 answered the question about sufficient energy south
12 of the diversion for pulse flows or flushing flows in
13 the estuary based on this model. You are assuming in
14 any storage conveyance configuration that a
15 constraint is sufficient energy going through the
16 estuary for the flushing action in keeping the null
17 season where it needs to be. Is that true?

18 MR. YEAGER: Well, the parameter that we
19 have set here, the 60,000 flow event, applies to the
20 meander zone part of the river --

21 MS. McPEAK: I know that.

22 MR. YEAGER: -- where you initiated the
23 geofluvial processes, and of course that will
24 continue down through the estuary.

25 However, when we have diversions in the

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1 levee part of the river, again, that constraint does
2 not apply to starting diversions into off-stream
3 storage.

4 However, the events on the Sacramento River
5 are such that quite routinely during the years,
6 during the winter period of the year, you have flows
7 in excess of 60,000 anyway. We'd be taking a small
8 part of that and you would have the pulse flows to
9 initiate the actions downstream through the estuary.

10 We will be doing some analysis of kind of
11 the impacts of taking a small amount off of the top
12 of those peaks on the system all the way down out
13 through San Pablo Bay.

14 CHAIRMAN MADIGAN: Steve?

15 MR. HALL: Question for Dick.

16 I understood your explanation of the energy
17 needed to cause the river to begin to meander. If
18 you lowered the flow threshold at which you began
19 diversions, just hypothetically pick 50 instead of
20 60, you would have less meander over time because
21 you'd have fewer periods of time when you were having
22 enough energy left in the river, but it would still
23 happen; would it not?

24 MR. DANIEL: Can't be sure of that, Steve.
25 There is an inertia that has to be overcome, the

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1 rocks half to move.

2 MR. HALL: Right.

3 MR. DANIEL: On the Sacramento River, the
4 analysts have concluded that it takes 23,000 cfs --
5 maybe I ought to characterize that as a range,
6 between 21,000 and 24,000 cfs to start moving
7 spawning gravel size rocks.

8 Then the next question I asked them is what
9 kind of a flow does it take to initiate these
10 geofluvial processes that build point bars that move
11 the river back and forth. That's where we came up
12 with the 60,000, actually there's a little bit of a
13 range around that.

14 But I don't know, and I'm not sure anyone
15 could tell you without experimentation and without
16 holding the banks of the river stable for a long
17 period of time, stable from a riprap standpoint,
18 exactly how safe you would be if you got down to 55
19 or 50 or something in that regard.

20 So one of the things that we are looking at
21 is ducking the question and considering the utility
22 of a diversion that is downstream of that active zone
23 so you don't have to deal with it at all.

24 MR. HALL: Okay. You're talking about the
25 diversion that you pictured there at Chico landing?

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1 MR. DANIEL: Yeah.

2 Now, the other alternative, I think, that's
3 being looked at reasonably seriously is using Red
4 Bluff diversioning. If we come up with an
5 alternative that diverts to off-stream storage in and
6 around Red Bluff, then there will have to be a very
7 detailed analysis, perhaps even some field
8 experimentation, to see if whether or not you could
9 safely divert five or ten or whatever thousand cfs
10 and not interrupt those processes.

11 And to be perfectly honest with you, just
12 last week I found out there's more -- there's another
13 mile and a half of riprap that got placed just
14 recently on that portion of the Sacramento River that
15 changes that dynamic again, so it's a constantly
16 evolving process.

17 But one of the points that needs to be made
18 is that in terms of inflow to the lower portion of
19 the river, inflow to the Bay, with a diversion like
20 5,000 cfs and with the 60,000 in the Sacramento
21 River, the inflow to the Delta and to the Bay is
22 likely to be in the 120 and 130,000 cfs category, and
23 I'm not so sure anybody could tell you what the
24 impact of reducing that by 5,000 cfs would be.

25 MR. HALL: Right. Probably not capable of

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1 modeling it sensitively enough.

2 Well, if the diversion is at Chico landing,
3 which is at the lower end of the meander zone, why
4 does the threshold amount need to be 60,000 because
5 as you said, if you put it there, then your meander
6 zone is protected regardless of when you begin to
7 divert.

8 MR. DANIEL: Unfortunately, I don't think we
9 should have had this and this example up on the
10 screen at the same time.

11 MR. SNOW: The point here, you need 60,000
12 cfs here before you are considering a diversion that
13 affects this region.

14 Is that better, Steve?

15 MR. HALL: Say that again, Lester.

16 MR. SNOW: You need -- what we're saying
17 here is the control point is 60,000 cfs of flow at
18 Chico landing --

19 MR. HALL: Right.

20 MR. SNOW: -- before you're having a
21 diversion that affects this region. Get the point
22 that Steve made, Steve Yeager made, about looking at
23 multiple diversions points or various diversion
24 points. You can't do anything in this reach with
25 respect to diversions until you have hit 60,000 cfs

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1 of flow.

2 MR. HALL: Right. I mean I'm not
3 necessarily agreeing with that but I understand that
4 point.

5 MR. SNOW: And I guess what's real important
6 here, these aren't decisions. These are how you get
7 started on the modeling.

8 MR. HALL: I'll back off.

9 MR. SNOW: I guess the other thing -- I
10 mean, one of the things we were trying to do is we
11 know how BDAC has been frustrated by us talking in
12 generalities and we have tried to push the specific.
13 But obviously, you know, given Oroville is over 3
14 million acre feet, this is not to scale. Okay?
15 And then also, this is just a representative
16 point for diversion in terms of filling an off-stream
17 storage reservoir. You can look at different places,
18 but this ends up being a significant governing point,
19 at least in our initial modeling. But you have to
20 have 60,000 cfs before you are diverting in this
21 productive season.

22 MS. McPEAK: Lester, if you're not specific
23 we're going to criticize you, if you are specific
24 we're going to ask lots of questions. So, you know,
25 you won't win here. But actually I appreciate the

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1 specificity.

2 MR. HALL: The reason why we want specifics
3 is so we second-guess and criticize you Lester..

4 MS. McPEAK: That's right.

5 There's two important things I want to
6 repeat to see if I got them right, and that was
7 whether or not 60,000 is the exact number. The
8 question -- the thrust of the question you asked is,
9 Steve, is if there is a number that is judged to be
10 the threshold for sufficient energy to overcome
11 inertia, couldn't you get the same effect but a
12 longer period of time if you backed that down.

13 What I heard back was, we don't assure that
14 the number is 60,000 but, no, you have to have
15 whatever is going to be a sufficient number to get
16 enough energy to overcome inertia to achieve the
17 meandering and whatever that number is, which will
18 come out of the modeling, you can't get the same
19 effect by a lower number simply over longer a period
20 of time.

21 MR. HALL: Right. And my first question is,
22 is 60,000 the right number and the answer is --

23 MS. McPEAK: They don't know.

24 MR. HALL: -- we don't know, they picked the
25 number.

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1 MS. McPEAK: No, but the principle is
2 there's going to have to be a number that has
3 sufficient energy to overcome inertia to get the
4 meandering.

5 The second thing I think I've understood is
6 no matter how big the storage, no matter how high the
7 flow, 5,000 becomes the controlling parameter because
8 of fish screens on an intake.

9 MR. DANIEL: For an individual intake.

10 MS. McPEAK: For an individual intake. We
11 could do three intakes -- thank you for clarifying
12 that -- or two storage. Okay, got it, thank you. I
13 appreciate understanding that now.

14 MR. DANIEL: That, again, is a general
15 number that's going to take quite a bit of research.

16 MS. McPEAK: Okay. But I appreciate knowing
17 that.

18 MR. SNOW: I guess what I would add to the
19 exchange that just took place is that science isn't
20 sufficient to say that at exactly, you know, 61,563
21 cfs. But this isn't just a shot in the dark, either.
22 This is kind of our best assessment at this point of
23 the kind of flow events that are necessary to
24 accomplish the things in the system.

25 And to reaffirm what Sunne said, this

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1 doesn't work, that if you go to 30,000 cfs, it just
2 takes twice as long to move the same gravel. It does
3 not work that way. Actually, East Bay has done a lot
4 of work on the Mokelumne on this issue to demonstrate
5 that. You have to hit your objective flow before you
6 are moving the gravel where it needs to be.

7 MR. YEAGER: I'd like to add just to make
8 sure there is no confusion that, again, the criteria
9 is the 60,000 event occurs and diversion then after
10 that period can continue on as the river falls down
11 to 50,000 and 40,000 and 30,000. We're not just
12 specifying that it's at 60,000 and above that it
13 occurs.

14 CHAIRMAN MADIGAN: That's a good point,
15 Steve.

16 MS. McPEAK: Because the energy moves
17 through the system which is what you need, right.

18 CHAIRMAN MADIGAN: Stu?

19 MR. PYLE: Still on that 60,000, is that a
20 instantaneous peak or is there some duration
21 required?

22 MR. DANIEL: We are looking at it as an
23 instantaneous peak. Lester pointed out that -- I'm
24 trying to work with a number of fluvial
25 geomorphologists to try and pin that number down.

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1 There is an expert at the Department of
2 Water Resources who has assured me that it's not
3 anymore than 79,000 cfs, and that it is definitely in
4 the 60s range. Exactly what the number is, we don't
5 know right now, and I'm soliciting additional
6 opinions to augment that. 79,000 cfs is the design
7 release at Shasta, and that has essentially defined
8 the channel of the Sacramento River over the last 45
9 to 50 years.

10 MR. HALL: While the instantaneous maybe
11 79,000, as Dick says, the 60,000 is meant to be a
12 daily average over a day because it will fluctuate of
13 course over a 24-hour period.

14 MR. SNOW: Are we ready to wade into the San
15 Joaquin Valley?

16 I didn't mention this at the beginning, I
17 should, the way we are initially approaching this, we
18 have basically storage on, storage off and so we are
19 looking at these big chunks of storage. And as Steve
20 has mentioned in the past, we are doing
21 prefeasibility to look at subsets within the storage,
22 but alternative B contains the maximum storage that
23 we are evaluating.

24 When you get into the San Joaquin, you see
25 this meander zone. The thing I would stress in this

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1 area, this is also a floodway way here, a little
2 different than the concept on the meander zone in the
3 Sac. This is a flood overflow area and habitat
4 immigration and could include ag land preserves in
5 this area.

6 You see gravel recruitment activities on of
7 all the tributaries here. I forgot to mention this,
8 in the Sac Valley we're assuming a half a million
9 acre feet of groundwater conjunctive use, same in the
10 San Joaquin. We have two million acre feet of
11 off-aqueduct storage, and a half a million acre feet
12 of east side of the valley off-stream storage.

13 One thing I would point to here, you noticed
14 we had ag source BMPs in the Sac Valley, up there is
15 primarily related to pesticides and that sort of
16 thing. In the San Joaquin it's also related to
17 salinity, and you see here we have actually pointed
18 out the land use conversion issue that we've
19 continued to carry in terms of retirement of ag land
20 related to dealing with drainage issues as part of a
21 water quality program.

22 This articulates some of the San Joaquin
23 principles in terms of operation.

24 Do you have a second slide on that?

25 This refers specifically to how you're

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1 dealing off the Delta Mendota and California aqueduct
2 in terms of filling and the kinds of capacities that
3 would be involved.

4 I guess I would just ask if Steve or Dick
5 wanted to highlight anything on the San Joaquin side.

6 MR. DANIEL: I want to emphasize and perhaps
7 in future slides we might change this, the San
8 Joaquin is not a meandering river in the sense that
9 the Sacramento is. It's a flood plain system,
10 naturally a flood plain system, and I would not
11 expect the river channel to move very much except
12 possibly with events like we had this year. But the
13 flood plain interaction with the Delta is very
14 important and is something that we would like to
15 reestablish.

16 MR. HILDEBRAND: This business of a meander
17 zone, Dick acknowledges there is a different
18 motivation here, but it's very different from the
19 Sacramento system. You don't have a rock bottom, you
20 have a silt bottom. You have a much lower low flow
21 in the river compared to the high flow in the river
22 than in the case of the Sacramento.

23 In the case of Sacramento, the reservoirs
24 and so forth are actually maintaining summer flow so
25 you have substantial flows in summer.

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1 in the San Joaquin system, we have very low
2 flows, in some years it gets down to where the --
3 almost the entire yield of the San Joaquin River
4 system is consumed before it ever reaches the Delta.
5 We have had flows as low as 100 cfs coming into the
6 Delta. And that's not typical but it's illustrative.

7 Now, a problem you get into is that there's
8 absolutely no maintenance of the channel in the San
9 Joaquin as there is in the Sacramento. Consequently,
10 we have sediment accumulating in the channel
11 proper -- and I'm not just talking the floodway but
12 the channel proper -- and we have got somewhere
13 between one and two million yards a year coming into
14 the channel and in the valley floor, along the valley
15 floor, much of it down there in the Grayson area.

16 And so we are filling up the channel. It's
17 typically eight feet higher on the bottom of the
18 river than it was a few decades ago. And this causes
19 a brush then to grow on this aggradation when the
20 river flows are very low because the river just kind
21 of is meandering back and forth and getting hot and
22 not going much of anyplace.

23 Then when the river rises during a flood,
24 the brush holds back the flow and the channel proper
25 pushes the river out against the banks, erodes the

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1 will convey more water it's true at a given stage,
2 but you don't provide the degree of temporary
3 transient storage that you've got in your former
4 system. Historically, that requires that you
5 overflow an area to whatever the depth of river is
6 and then let it flow back in, rather than creating a
7 bypass.

8 So I don't think this meander zone is the
9 best thing from a flood control point of view. It
10 isn't going to increase the wetland habitat because
11 the lands outside of the channel are above the water
12 table most of the time by a considerable amount.

13 So I think you need to reexamine this
14 concept applying the meander zone to the San Joaquin
15 River system. It's an entirely different situation
16 than you have on the Sacramento. I don't think it's
17 the optimum way to achieve the purpose, either from
18 the standpoint of diversity of habitat, riparian
19 habitat, or from the standpoint of flood -- transient
20 retention of flood waters.

21 And then one other point is that I'd like to
22 see the CalFed make an assessment of the total
23 conversion from ag land to habitat that is proposed
24 in the entire program. It's piecemeal here, you want
25 to do it in the Delta and you want to do it down

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1 berms which have the beautiful valley oaks and
2 cottontails, dumps them down the river, the whole
3 floodway begins to flatten out.

4 And so the more it meanders, the more you
5 destroy the diversity of habitat in the floodway. It
6 becomes flatter, more brushy, fewer trees, the river
7 runs hotter which isn't very good for the fish, so we
8 have a big problem.

9 Now with regard to the overflow, you can do
10 a great deal to relieve the peak flows in the river
11 by just having a controlled overflow on the existing
12 dedicated habitat where refuge is grasslands and so
13 forth. Down there in the Los Banos area, there is
14 something like 60,000, 70,000 acres of it that's
15 already dedicated to that purpose.

16 In the -- historically when the river rose,
17 it flooded out over those to whatever the depth of
18 the river was and then flowed back into the river
19 when the river dropped. It absorbed more than
20 200,000 acre feet of peak flow and now those areas
21 are leveed. They are not farmed as natural overflow
22 areas anymore, they restrict the depth of overflow,
23 and consequently, don't get that much absorption.

24 Now if they just widened the floodway by
25 setting levees back as you go down the river, you

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1 here, and so forth. I'd like to see how much all of
2 that adds up to in the reallocation of land from
3 agriculture to other purposes. And in the San
4 Joaquin Valley, I don't think it's going to be a very
5 valuable habitat you get from doing that.

6 MR. HALL: Alex, to speak to your first
7 point, that in fact there are some movements, I know
8 the Fish and Wildlife Service, and maybe Mike wants
9 to talk to this a little bit, has been moving towards
10 in the last several months acquiring some of those
11 overflow lands that you're talking about, converting
12 those into flood storage area for refuge areas.

13 And so while we will continue to show it on
14 this particular map, I think those current efforts
15 that are being done as part of the restoration of the
16 levee system after the floods I think will add
17 additional flood protection as well as additional
18 habitat to what you see in the meander zone.

19 MR. HILDEBRAND: I don't oppose what they're
20 trying to do, but they are trying to acquire
21 something like 3,000 acre feet of additional overflow
22 land instead of making better use of the 60 or 70,000
23 we already have where you don't have to buy any land.
24 It would be fine to do both, but if you can't afford
25 to do but, let's make use of what we have first.

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1 And, you know, people keep talking about new
2 bypasses, but they refuse to maintain the bypasses we
3 have. The bypass at Gravelly Ford is below capacity
4 now, design capacity, and that inhibited the early
5 flood releases this year. We have a bypass down at
6 Paradise cut which is about the only place where the
7 terrain lends itself to a bypass at the lower end
8 which is the biggest choke point in the system, and
9 that's not maintained. It's full of brush. The weir
10 to fill into it is inadequate, the levees along the
11 side of it are inadequate --

12 CHAIRMAN MADIGAN: That's the one with
13 the -- next to the mobile home park?

14 MR. HILDEBRAND: Pardon me?

15 CHAIRMAN MADIGAN: That's where the mobile
16 home is next to it?

17 MR. HILDEBRAND: That's on the other side of
18 the river, the mobile home park. But it was affected
19 about the river stage which would have been relieved
20 had the bypass been functioning fully, and the
21 because of the bypass wasn't functioning action, we
22 broke the levee --

23 CHAIRMAN MADIGAN: The bypass is right --

24 MR. HILDEBRAND: Pardon me?

25 CHAIRMAN MADIGAN: The bypass right --

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1 what's the road that runs right -- there's a road
2 that runs right past it there.
3 MR. HILDEBRAND: The Paradise pike pass, the
4 inlet to it is just a little downstream from me. It
5 has a rock weir to spill over and was originally
6 designed to spill about 15,000 cfs out of San Joaquin
7 down through the Paradise cut and into the larger
8 channels further down. But hasn't been maintained,
9 it's full of brush. The levees on it probably need
10 to be improved.

11 And then we've got a choked up handle in the
12 upper end of Middle River, first few miles are so
13 full of settlement and bamboo that they carry very
14 little flow, far less than the rest of the Middle
15 River could handle just down a few miles further
16 down.

17 If you restored the capacity of that channel
18 and fixed up the Paradise cut, you would greatly
19 relieve the river stage down through that area where
20 we had a more breaks than anywhere else in the
21 Central Valley. But that's seems to be a no-no,
22 nobody wants to clear channels or maintain existing
23 bypasses, they just want to build new ones.

24 CHAIRMAN MADIGAN: Sunne?

25 MS. McPEAK: This is the second time I've

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1 heard Alex present that today, the first at lunch,
2 and it makes sense to me so I don't understand why we
3 aren't considering it. And I wanted to raise that it
4 makes sense to me, so maybe you could either respond
5 or it gets put into the analysis.

6 I think what you have up here is
7 programmatic and conceptual at a different level than
8 what may be the specifics that I have heard from
9 Alex, but I need to understand why what Alex is
10 saying isn't something we should incorporate.

11 MR. DANIEL: I'll address some of that, and
12 I agree for different reasons with what Alex is
13 saying in the way that the San Joaquin River
14 performs.

15 We are looking at expanding and
16 incorporating as a flood control element the national
17 wildlife refuges in the San Joaquin Valley. The Fish
18 and Wildlife Service has essentially established that
19 as a bit of a mission. The natural flood plain
20 process is part of those refuges, and they are
21 looking for some modest acquisitions to add to them.
22 That would be generally in this area and down near
23 the Stanislaus.

24 The flood plain that we are looking to
25 reestablish does not preclude agricultural activity.

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1 We think we can -- we know we can accommodate
2 agricultural easements and flowage easements as part
3 of the package.

4 I have been looking at and trying to figure
5 out how to afford going with both a flood plain and
6 levees that confine the flow of the San Joaquin River
7 into some kind of a channel because I agree with
8 Alex's comment the fact that the river spreads out
9 now because of all this accumulated material. It
10 gets hot, it's a major, major problem we have with
11 salmon.

12 The other part of it is that we would like
13 that material to move naturally into and through the
14 Delta. The San Joaquin River used to be one of the
15 major levee builders in the Delta in terms of the
16 material that it contributed. Now because of
17 conflicts with agricultural extractions of water in
18 the Delta, we can't really let that build up in the
19 Delta, we have to move it through.

20 Those are all issues that we are looking at,
21 they're some of the more difficult issues, and we may
22 find that from an environmental standpoint it would
23 be a good idea to redredge a channel on the San
24 Joaquin River and to provide the flows necessary to
25 maintain it.

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1 MR. HILDEBRAND: One more comment relative
2 to that, or two more, one is that I've been talking
3 to the Fish and Wildlife. They want to overflow but
4 they don't want to overflow to the depth we have with
5 a natural overflow, they just want to have a nice
6 duck habitat. And so they are not willing to absorb
7 the volume of overflow that nature would --
8 previously did absorb. They are really after the
9 duck club stuff rather than after return to a normal
10 overflow that existed historically.

11 And as regards moving this material down the
12 river, it's moving down all right, but what happens
13 is when it gets down to the tidal zone velocities
14 drop out and it drops down and it's clogging up the
15 south Delta channels, the main channel of the San
16 Joaquin down almost to Stockton now. And with the
17 dams and diversions we have it's never going to get
18 carried on out to the Bay, it's just going to
19 gradually destroy the habitat and the diversion
20 capability and so forth in the southern portion of
21 the Delta.

22 We've got to start removing it. We can't --
23 and there's a market for it. You can sell a half a
24 million yards of it a year just in San Joaquin County
25 alone if we give them permission to take it out.

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1 incorporating good habitat measures.
2 What we have to have, though, is not just a
3 structural solution but a clear understanding among
4 the agencies that we need habitat, we also need to
5 maintain the integrity of flood control system. We
6 can do both, but we have to have that agreement up
7 front.
8 My issue is a little different, land use
9 conversion. Lester, you said that was there for
10 water quality purposes.
11 MR. SNOW: Right.
12 MR. HALL: Have you or will you examine the
13 dollars in the other resources necessary to address
14 water quality through land use conversion as opposed
15 to other water quality improvement alternatives?
16 MR. SNOW: Yeah, actually we are
17 incorporating into the water quality program all the
18 different actions that have been identified to deal
19 with the drainage problem, and land conversion is
20 only one of them. We must assess the costs and
21 impacts of those programs.
22 MR. HALL: But in other words, you're going
23 to look at the cost of land use conversion as a means
24 of improving water quality, and you're going to
25 compare it with other alternatives to improving water

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1 MR. HALL: Let's see I could follow up and
2 respond to Sunne's question. I don't think we fully
3 responded to that.
4 In fact, Sunne, we are looking at
5 incorporating flood control measures as we develop
6 our program to really address our mission. The flood
7 control is really the mission of the rec board and
8 the Corps of Engineers, but we are trying to
9 incorporate these kinds of concepts to address that.
10 We are also participating with those
11 agencies in their interagency task force that's
12 trying to address the San Joaquin flooding issues and
13 trying to get our input into it and make sure that
14 our program elements really are meshed with the flood
15 control concepts that they are developing.
16 So while we aren't including flood
17 protection as a mission of our program, we are
18 addressing those issues through these other forums.
19 CHAIRMAN MADIGAN: Steve.
20 MR. HALL: Glad you said that Steve because
21 I -- it seems to me like system integrity is one of
22 our principal objectives. This is a part of the
23 system we cannot maintain the integrity of if we do
24 not address the flood control aspects of what you've
25 shown up there. And I think we can do it while

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1 quality?
2 MR. YEAGER: Well, actually, Steve, we are
3 addressing it that way and we are also addressing it
4 from the viewpoint of trying to mix all of those
5 actions that have been identified together in a mix
6 that makes the most sense from an economic standpoint
7 and from a water quality standpoint and from the
8 standpoint of continuing to use that land for some
9 other use that's profitable.
10 CHAIRMAN MADIGAN: Sunne?
11 MS. McPEAK: Let me understand. This is the
12 Pinoche fan with selenium and magnesium
13 contamination?
14 MR. YEAGER: This is the grasslands area.
15 MS. McPEAK: Grasslands area, okay.
16 MR. YEAGER: Parts that contribute to the
17 river.
18 MS. McPEAK: And, Steve, you're asking if
19 there are actual alternatives to that specific area
20 or was it land conversion in general? I didn't think
21 there was other land conversion of any magnitude.
22 MR. HALL: Well, what I was referring to was
23 Lester's earlier comment, you know, land use -- land
24 retirement and land use conversion has been a topic
25 of conversation within CalFed for some time for

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1 various reasons.

2 MS. McPEAK: For various reasons, not just
3 water quality. That's right, that's what I was going
4 to make comment on.

5 MR. HALL: What I was first trying to
6 clarify is that for this purposes of this graphic,
7 the application of land use conversion was for water
8 quality purposes, and the response was yes, that's
9 what it's for.

10 The second part of the question is, are you
11 looking at the cost of land use conversion to improve
12 water quality versus the other things that you could
13 do to improve water quality. I think the answer is
14 yes. But it was yes, plus we're going to look at
15 land use conversion in a mix with other things to
16 improve water quality and see what makes the most
17 sense, how much of each makes the most sense.

18 MR. HILDEBRAND: It isn't as if this was the
19 only way to go about it.

20 MR. HALL: Well, that was kind of my point,
21 Alex. You just say it more directly than I do.

22 MS. McPEAK: I guess I was asking what that
23 area was because I -- again, maybe I need to educated
24 on the --

25 MR. HALL: First you saw in the previous

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1 graphic they had mine drainage. Mine drainage
2 improves water quality, an isolated facility improves
3 water quality. There are lots of things you can do
4 to improve water quality for drinking or for other
5 purposes.

6 And I just want to make sure that when we
7 discuss land use conversion, we know why we are
8 discussing it, and now we know the reason is for
9 water quality purposes. And then that we compare it
10 on an equal basis with those other options that are
11 available to us through water quality. That's my
12 point.

13 MS. McPEAK: Okay, not necessarily other
14 things to be done with that particular land.

15 MR. HALL: No, no.

16 MS. McPEAK: That clarifies it for me.

17 MR. HALL: I think that's a separate
18 discussion that we need to have.

19 CHAIRMAN MADIGAN: Lester?

20 MR. SNOW: I was just going to add in the
21 water quality program, I think we are addressing the
22 salinity issue in just at least two kinds of actions.
23 I think we referred to one, and we may have discussed
24 this at the last BDAC meeting, is drainage
25 management, and it's the package of different kinds

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1 of activities that can be undertaken.

2 But we have called this one out separately,
3 which is a way of doing drainage management because
4 of the controversy and focus that there is on this
5 issue. We don't want to hide it. And so we have in
6 our package of tools to deal with salinity on the San
7 Joaquin land retirement, along with all the other
8 drainage management tools that were identified in the
9 Rainbow Report and other activities.

10 But if we are going to evaluate the impacts
11 of our actions, we need to be specific that we have
12 that in the mix, what kinds of acreages might be
13 involved, and what would be the implications of
14 proceeding with it.

15 CHAIRMAN MADIGAN: Roberta?

16 MR. HALL: I hope this program will pay
17 close attention to the Rainbow Report because there
18 are a number of actions identified in the Rainbow
19 Report that can be taken other than land retirement,
20 which will maintain water quality in the San Joaquin
21 River at acceptable levels.

22 CHAIRMAN MADIGAN: Roberta.

23 MS. BORGONOVO: I just would comment on the
24 Rainbow Report. I know that several people who were
25 part of that oversight group that was set up, which

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1 included Steve and many other members or some of the
2 members of BDAC like Tom Graff, do believe that that
3 Rainbow Report should be paid attention to and part
4 of it was the retirement of land, even though they
5 looked at all those other measures. So I had assumed
6 that what CalFed was doing with the land retirement
7 was, again, that nexus in the middle where you are
8 able to solve several problems at the same time.

9 But my real comment was to Alex, and that
10 was to ask about the meander belt. Is it your
11 concern not the concept itself but the fact that
12 there won't be the resources to do both, to do the
13 meander belt and to do other management issues that
14 you've identified in some of your work?

15 MR. HILDEBRAND: I think a meander in the
16 San Joaquin is actually bad environmentally. As I
17 explained, the river is clogging up with silt so
18 you're losing the low flow channel. And much of the
19 time we just have low flows, we rarely have high
20 flows. And what happens then is because the flows
21 are very low for long periods of time and because you
22 have all this siltation, you then grow brush in that
23 on the -- right in the channel itself.

24 Then when you get a higher flow, that brush
25 retards the flow in the channel proper, it pushes the

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1 velocity of flow out against the banks because
 2 typically originally you had a narrow channel and
 3 then you had these berms that were created long
 4 before we had any dams or anything, we're not going
 5 to recreate them, and on those berms you have
 6 beautiful oaks, cottonwoods and a lot of riparian
 7 critters that we are rapidly devastating.

8 And so we have diversity of habitat within
 9 the floodway, as distinguished from the flood
 10 channel, which we are losing because we are
 11 flattening it. We're eroding these berms out,
 12 dumping those trees and all that sediment into the
 13 channel proper, which raises the channel, flattens
 14 the thing. The river meanders around in these low
 15 flows and gets too hot for the fish.

16 And I've lived on this river for a long
 17 time, I've watched this happening. And the amount of
 18 habitat -- the diversity of habitat and the diversity
 19 of riparian life that I see today is just greatly
 20 diminished from what it was 50 years ago.

21 I just think a meander zone is the wrong way
 22 to go. You can't go back and tear down all the dams
 23 and go back to nature. So with the hydrology we have
 24 today, and considering the lack of any channel
 25 clearance to maintain the channel because there is

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1 none north of the Merced, I see this continuing
 2 degradation of the system. And I think the more you
 3 let it meander, the worse off you are. We'd be
 4 better off to rock the bins and hold it the way it is
 5 right now.
 6 MR. HALL: Is it possible for a BDAC member
 7 to nominate another BDAC member to serve as a special
 8 advisor to these people? I mean, Alex has got a lot
 9 of experience here and I'm sort of kidding and so
 10 sort of not.

11 CHAIRMAN MADIGAN: Actually, it's no fair to
 12 nominate somebody that's lived in the same house for
 13 over 50 years.

14 (Laughter)

15 MR. HALL: But, you know, I think there are
 16 some things are done on tributaries to the San
 17 Joaquin that could be done on the lower San Joaquin.
 18 See, I think we can have a primary channel and berm
 19 configuration on the lower San Joaquin and that we
 20 could have a -- not exactly the same habitat that we
 21 would have on a meander zone, but we have a
 22 distributary system instead of a tributary system
 23 like we have on the Sacramento here, we got to
 24 recognize that and design it differently. And I
 25 think Dick and Steve and Lester understand that.

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1 But I think Alex's points are well taken, we
 2 need to be sensitive to the fact that this system is
 3 very different and approach it accordingly.

4 Thank you, Lester.

5 MR. DANIEL: I would have done that.

6 MS. McPEAK: That's really good.

7 MR. DANIEL: We really do have a different
 8 environmental function envisioned for the San Joaquin
 9 River and it's much more of the way Alex has
 10 described.

11 CHAIRMAN MADIGAN: Okay, two things. No. 1,
 12 Ladies and Gentleman, I would like to introduce Roger
 13 Fontes who has joined us.

14 Roger, nice to have you here. It's your
 15 turn for a question, just jump right in.

16 MR. SNOW: I want to point out that we
 17 actually labeled it right on this one, it's not a
 18 meander zone, we know that, apologize that it got on
 19 the other one, but anyway.

20 MR. FONTES: On the meander we are
 21 discussing --

22 CHAIRMAN MADIGAN: Go ahead.

23 MR. FONTES: My question is about surface
 24 storage. Is it possible that some existing
 25 reservoirs might be able to be expanded to provide

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1 that function, and have you looked at that option?

2 MR. YEAGER: Yes, we have. The priority we
 3 have been using in looking at additional storage is,
 4 first of all, looking at conjunctive use of
 5 groundwater; second, raising existing dams,
 6 off-stream storage, nonstream storage. We've kind of
 7 focused it that way and we are looking at several
 8 different ways to expand existing storage.

9 MR. SNOW: Now to get into the simple
 10 concept of the Delta. This looks pretty busy here
 11 but let me take a shot at it, it's not as bad as it
 12 looks.

13 We wanted -- you may recall earlier
 14 attempts, we just would show kind of a general blob
 15 and say tidal wetlands. What we wanted to show --
 16 this is 2B and we are into the Delta section now --
 17 is the extent of some of the ecosystem system things
 18 that are going on. And it's not just a single area
 19 where you're looking for your tidal wetlands, you're
 20 really looking for what Dick always refers to as the
 21 edge habitat in the system, and looking at specific
 22 places where you can establish shallow water habitat
 23 and basically integrate it.

24 And you can see here where you've had --
 25 we've been talking about the San Joaquin and it moves

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1 on up into the Delta. And here we've talked about a
2 broader floodway concept which I think is what Alex
3 is talking about, not meander.

4 So, again, Alternative 2B is based on
5 integrating into these kinds of strategies in the
6 Delta a through-Delta approach.

7 The other thing I'd point out, we know the
8 Cosumnes River is on the other side, it points
9 straight across over here. We ran out of space over
10 there. So I know you'd be concerned about that,
11 Mary.

12 Let me stress this slide here. If you've
13 looked at the executive summary of the ecosystem
14 restoration program, you know we've got these kinds
15 of magnitudes in there at this point in the Delta and
16 Suisun marsh, 60 to 70,000 acres of additional tidal
17 wetlands, 60 to 70,000 acres of additional shallow
18 water habitat.

19 One example of attempting to integrate those
20 objectives into a levee stability program and even to
21 through-Delta is not necessarily to take out entire
22 islands, but as part of your effort to cut off tips
23 of islands, breach the old levee and reestablish
24 shallow water habitat.

25 To spend just a moment on the levee system

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1 integrity program to kind of hit some of the points
2 that I think Alex raised earlier. Part and parcel of
3 this is looking at base level funding to continue
4 implementation of the program, a special kind of
5 habitat integration into the program, a subsidence
6 control having a well established Delta levee
7 emergency response program, Delta levee seismic
8 stability program, in-channel island program to deal
9 with associated recreation within the Delta system.

10 I think there's even more detail where we
11 have talked about the issue of stockpiling materials,
12 having sufficient economic resources available to
13 implement your emergency response program.

14 MR. GRAFF: On the levee program, do you
15 have a ballpark on who is going to pay for that?

16 MR. SNOW: On who or how much?

17 MR. GRAFF: Well, both.

18 MR. SNOW: I'm not sure I have either
19 answer, actually, so I'm not sure why I asked you
20 that question, Tom.

21 Steve, do you want to comment on our current
22 estimates?

23 MR. YEAGER: Yeah, our current estimate is
24 about a billion and a half dollars to complete that
25 program, over about a 30-year period. As far as

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1 allocating those costs, we are still looking, I
2 guess, for the finance group to give us some guidance
3 there.

4 CHAIRMAN MADIGAN: They are working on it,
5 Steve, it's --

6 MR. SNOW: Let me start on through-Delta.
7 Again with 2B, it is based around a 10,000 cfs screen
8 diversion at Hood in this location. It has a fish
9 screen and bypass system. It drops water into an
10 existing slough, Snodgrass slough, moving it on down
11 across the McCormick Williamson tract and integrating
12 as you go some additional habitat in that area.

13 Let me continue kind of walking this
14 through. You move from there to what I would call
15 kind of the classic through-Delta, which is more
16 narrow modifications where you're going -- in this
17 case we have identified a 600-foot alignment removing
18 the levees back on one side to provide additional
19 capacity on down to the San Joaquin River.

20 Then in the alternative when you get to the
21 south Delta area, you got the channel enlargement, a
22 new intake, you have flow control barriers. And do
23 we have the CV -- is that on the next slide? So
24 we've been making these modifications to the south
25 Delta area.

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1 Then, also, these are the SWP/CVP
2 improvements that we always talk about in terms of
3 new fish screens and an inter-tie between the two
4 projects. And you can see kind of in light here how
5 it ends up being all configured together.

6 Dick, do you want to stress anything about
7 the ERPP and how it's different with the
8 through-Delta configuration?

9 MR. DANIEL: The basic concept for habitat
10 in the Delta would be a broad mosaic spread out
11 throughout the Delta. But with the -- and we call
12 this Shakespeare, Lester didn't use that yet -- with
13 Shakespeare we would avoid reestablishing large
14 amounts of habitat in this area simply because of the
15 attractive nuisance aspect of existing diversion
16 facilities in the south Delta. And so a higher
17 percentage of the habitat would be located in this
18 area and in the northern portion of the Delta.
19 That's sort of a common sense thing.

20 MR. SNOW: This one shows all of the pieces
21 of the through-Delta. Again, 10,000 cfs, increased
22 channel capacity, some habitat integration, some
23 offset habitat, but this is more a classic
24 through-Delta where you're making smaller changes to
25 the channel capacity.

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1 The reason I mention it that way is once you
2 look at the other Alternative 2 variations, we have
3 some that have significant modifications and much
4 wider integration, much wider channels and
5 integration of habitat involving entire islands.

6 MR. SNOW: 3B.

7 Now, what I wanted to do here, even though
8 we've been talking about 2B, once you get to the
9 Delta -- and, you know, everything is the same but in
10 3B you simply add a 5,000 cfs isolated facility.
11 That's the relationship between 2B and 3B. So
12 everything else is the same, you have 5,000 cfs open
13 channel in this configuration.

14 Now, since I've introduced isolated
15 facility, I want to actually then go through some
16 operating parameters that are different once you
17 introduce an isolated facility. And I think it will
18 get some of the things that Tom raised a little bit
19 earlier in terms of how we are trying to deal with
20 this.

21 What we are assuming at this point is
22 increase closure of the cross-channel September
23 through June, open July through August. Isolated
24 facility operated to maximize isolated conveyance
25 year-round consistent with the need to meet south

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1 Delta water quality objectives. So that's a major
2 issue in terms of operation, and it's a major issue
3 that Alex has raised with respect to assurances.
4 Also, it established a minimum monthly
5 export taken from south Delta in terms of when you
6 can go to zero. So this has that October through
7 March you have a minimum of at least 1,000 cfs
8 through south Delta exports, July through September
9 the same.

10 This to some extent gets at one of the
11 issues that Tom was getting at in terms of how you
12 evaluate an isolated facility. This ends up being
13 two very different ways.

14 One is that you simply say that the current
15 export inflow ratio applies to an isolated facility.
16 Those who have not followed the nuances of the
17 December accord, the Delta accord for '94, one of the
18 control mechanisms was coming up with a ratio of
19 inflow to the Delta to the amount of exports, and so
20 that becomes controlling. In parts of the year it's
21 35 percent, you cannot be pumping more than 35
22 percent the net inflow. Other parts of the year it's
23 65 percent.

24 A lot of the issue that drove that was an
25 issue of entrainment, you know, how much of the net

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1 flow is moving to the pumps and so what are you doing
2 to fisheries. So we are evaluating an isolated
3 facility, holding that constant, having it respond to
4 the inflow -- or the export inflow ratio just like
5 the current system and then also running it without
6 that controlling.

7 But I believe in both these cases X2
8 controls; is that correct? So we don't -- we are not
9 looking at modifying X2, but we are looking at
10 different ranges of inflow -- or export inflow.

11 MR. YEAGER: Maybe just to make that a
12 little clearer, beyond X2 controlling. During the
13 parts of the year when X2 is controlling, Lester is
14 correct, that kind of is the overriding parameter
15 over the ratio. And then in other parts of the year,
16 of course, the Delta outflow standards are
17 controlling and others salinity controls are
18 controlling and they become an umbrella under which
19 the ratio operates.

20 This is just kind of an operational
21 parameter that is subject to all the other controls
22 that actually control the system more often than the
23 ratio.

24 MR. GRAFF: From an environmental point of
25 view, maybe Dick can answer this, how do you decide

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1 since you don't really know in advance of putting
2 that facility in, how effectively it will protect
3 various species, what kind of standards you're going
4 to want to put in once in operation?

5 MR. DANIEL: The way I've been looking at it
6 is that I'm confident that a component of the inflow
7 to export ratio was to deal with entrainment. And to
8 the extent that we can screen the new facility, and
9 we may not be able to screen it to the most perfect
10 standard because of its size, but to the extent that
11 we reduce entrainment in the entire system, upstream
12 of the Delta, both north and south, we will be
13 putting a lot of money into an awful lot of fish
14 screens. So the overall entrainment loss in the
15 entire system most certainly will go down very
16 dramatically.

17 If we can somehow get a handle on that and
18 somehow develop a relationship between fish saved
19 under the inflow export ratio and fish saved under
20 the large scale screening program that includes
21 screening and diversion in the Delta, I think that we
22 can get within the ballpark and through adaptive
23 management we can make some adjustments.

24 But I don't think from an environmental
25 standpoint we would accept carte blanche a dramatic

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1 change in that ratio until we had an opportunity to
2 work with it and see what the result was.
3 MR. YEAGER: We are starting some modeling,
4 Tom, to try to demonstrate the differences in
5 entrainment related to the screening of the isolated
6 facility and also related to the export inflow ratio.
7 So we will be looking at various permutations of that
8 and displaying that in the analysis. You'll have a
9 chance to judge how well the entrainment is dealt
10 with in each of the alternatives.

11 MR. DANIEL: One of the things that helps
12 keep me awake at night, we are creating a program
13 that's going to make a lot more fish vulnerable to
14 that diversion point because we didn't kill them
15 upstream. Now, I don't exactly how you balance that
16 but that's going to be a concern, is that millions
17 more juvenile fish are going to be coming down this
18 system over time as the ecosystem program is put into
19 place, and so the vulnerability of the population to
20 that location is going to increase in terms of a
21 percentage.

22 So there's all these nuances that we are
23 trying to model.

24 CHAIRMAN MADIGAN: Richard, then Mary.

25 MR. IZMIRIAN: I noticed you stopped

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1 prefixing fish screens with state of the art. I'm
2 glad because -- well, perhaps somebody asked what the
3 state of the art was. It's certainly not pie art,
4 perhaps a little beyond stick figures. You're not
5 talking about eggs of larvae and that's for sure.
6 So I think there has to be a focus on
7 avoiding the entrainment altogether and making sure
8 we can operate aware of the eggs and larvae coming
9 down. The fish screens are not a panacea. Have you
10 worked out those other issues of entrainment on
11 things that we know are not going to be screened?

12 MR. DANIEL: We will have to rely on real
13 time monitoring and flexibility of the diversion
14 point. This alternative illustrates some of the
15 flexibility that we would have. We can't -- we have
16 demonstrated that we can monitor the downstream
17 movement of striped bass eggs and larvae. With that
18 alternative and with some screening down here during
19 critical periods, we can shift the diversion point to
20 temporarily deal with that problem.

21 MR. SNOW: I apologize to switching to this,
22 it's just that your question -- I think it was Alex
23 that asked a question about 2C. A lot of theory on
24 2C is exactly what you're talking about. It's based
25 more around real time monitoring and so you have

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1 three places that you can be diverting.
2 Again, the theory is that you're out there,
3 you have a better sense of what's going on at each of
4 those diversion points and you're switching to
5 minimize the need for screening to save the fishes'
6 lives, but actually then moving you're diversion
7 point. And that's a lot of the theory that went into
8 this. Not exclusively, there's water quality issues
9 and other things there, but that's a lot of what's
10 going on here.

11 CHAIRMAN MADIGAN: Mary?

12 MS. SELKIRK: I had a question that
13 pertained to 3B. I believe you said that even using
14 the existing -- those two different ways of
15 determining the flow in the channel, that X2 would
16 not be affected. Can you explain to me how that
17 could be, if there's an isolated conveyance as being
18 used.

19 Are we to assume that having north of Delta
20 storage would then somehow make up for an alteration
21 of outflow from the Delta?

22 MR. YEAGER: If we implied X2 would not be
23 affected, I apologize because that's not the case, as
24 you point out. However, the studies we are using
25 utilize the X2 standard as the basis to build from

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1 and there is a little bit of difference there if you
2 know the nuances. And that is that while the
3 standard controls many times, there are many other
4 times of the year in which the standard is exceeded
5 because of hydrologic events and other kinds of
6 things happening in the system.

7 So we are starting our modeling with the
8 assumption the X2 standard is in place, it doesn't
9 get violated, and you build from there. And we'll be
10 evaluating then the changes in the position of X2
11 that occur as a result of storage north of the Delta,
12 and as you can see would occur because of our release
13 of additional fisheries flow in the spring and that's
14 going to have an effect on X2 also.

15 So there's effects because of several
16 different things going on in the alternatives, but we
17 will be displaying how that effect manifests itself.
18 But, again, we are starting from the base that X2
19 standard does not get violated.

20 CHAIRMAN MADIGAN: Roberta?

21 MS. BORGONOVO: This question may have
22 already been asked, but it goes back to Richard's
23 question about fish screens. I noticed that in
24 Alternative 2A you still have a 10,000 cfs screen
25 diversion and at other times you have stated that a

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1 fish screen above 5,000 cfs may not work.

2 So I just wondered about the whole issue of
3 fish screens. It's true also of all of the different
4 storage, they all had screen diversions.

5 MR. YEAGER: Maybe I should try that one.

6 Dick's correct that there isn't a lot of
7 historic use of fish screens even above 3,000 cfs. I
8 mean, there are some about that size that are
9 effective, that work.

10 So while we are on a little bit of new
11 ground here, we have had a committee working for over
12 a year and a half, screening experts, looking into
13 those issues. They feel that it is feasible. We may
14 have to build them in modules of 3,000 or 4,000 or
15 5,000 apiece, and perhaps -- and of course we're
16 going to be doing some real physical modeling,
17 hydraulic modeling of the screens and so forth. But
18 it is feasible, we believe, it just has not been done
19 to date at above about 3,000 cfs.

20 MS. BORGONOVO: Will you share that with us
21 at some point where you have the experts there so we
22 can have a session on that because I know that's a
23 real concern.

24 MR. YEAGER: You're right, it's a very
25 important part of the program and I think we will

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1 look towards getting it on the agenda for a BDAC

2 meeting and a more thorough briefing on that.

3 MR. SNOW: Actually, what Steve is referring

4 to is a national panel that we pulled together. I

5 think all we have at this point is an oral report

6 from them and we're waiting for the written report.

7 Obviously, it would be important to

8 everybody, all the stakeholders, in terms of the

9 actual feasibility and then the cost effectiveness of

10 doing screening on this magnitude, particularly if

11 you have to go to modules which means greater space

12 and that sort of thing. There's a lot of

13 implications to it.

14 Okay. If I can kind of close this out by

15 stressing the range of alternatives that we have on

16 the table. We have tried to walk through B2 to give

17 you a flavor of the complexity and the issues

18 involved in an alternative.

19 When I started this, I said that what we

20 concluded was there's no simple way to present an

21 alternative. There's no way you can be comprehensive

22 about it. And so in going through B2, we've tried to

23 come up with a way of getting people to focus on some

24 of the key issues, and I think you have.

25 What I want to do here, though, is to give

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1 you a flavor for the range of alternatives we have.

2 And basically, you go from Alternative 1A that is
3 existing system, no storage, no modification in
4 capacities. It's really based around the common
5 programs. The way we are trying to reduce conflict
6 is heavy ecosystem emphasis in the Delta, no real
7 structural facilities approach.

8 And at the other end of that is
9 Alternative 3E, which has in this configuration the
10 maximum storage 6.7 million acre feet of additional
11 storage through-Delta and 15,000 cfs isolated
12 facility.

13 So you go from basically a no facility
14 approach existing system to all the storage that we
15 have been able to identify that can fit into this
16 through-Delta and the largest isolated facility.

17 That really represents the bookends of the
18 alternatives that we have on the table at this point.

19 And then the between them, we have
20 identified a total of 17 variations including these,
21 and as we go forward we'll actually be breaking up
22 the storage into smaller units. But that's basically
23 the range at this point.

24 CHAIRMAN MADIGAN: Alex?

25 MR. HILDEBRAND: Lester, when you analyze

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1 the environmental EIS of this thing, how are you

2 going to handle the analysis of the impacts of the

3 common program items? The impacts may be quite

4 substantial but they will also differ depending on

5 what else you're doing in the different alternatives,

6 and how will that be handled in the programmatic

7 analysis?

8 MR. SNOW: We will identify the actions.

9 And I guess you're referring to the fact that an

10 action we identify as desirable may have an

11 undesirable impact, such as restoration of critical

12 habitat but it's taking out prime ag land. So that's

13 what we have to do in the EIR/EIS.

14 MR. HILDEBRAND: Yeah, and using more water
15 and all that kind of stuff. The question is: I

16 don't think you can just analyze those impacts

17 separately because the cumulative impact will vary
18 depending on what else you're doing.

19 If your common thing is you're going to take

20 over 150,000 acres and transfer from ag to wetlands

21 in the Delta as a minimum, but then some of them like

22 your chain of lakes is going to have vastly more than

23 that, I think you somehow have to have an analysis of

24 the impacts of the programmatic items, the common

25 items, and then show how that would differ because of

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1 what else you do.

2 MR. SNOW: Right.

3 MR. YEAGER: Alex, what you describe is

4 exactly how we are approaching it. We are looking at
5 each common program, analyzing the impacts, and then
6 as we bring it into the alternative, look at how that
7 changes as a result of doing a 1A or a 3E. So it is
8 that kind of approach.

9 MR. HILDEBRAND: Will you include in that
10 the thing that was mentioned earlier of the
11 cumulative impact on agricultural land?

12 MR. YEAGER: Yes, there will be a cumulative
13 impacts analysis, yes.

14 CHAIRMAN MADIGAN: So, Lester, the question
15 for the House is: Does this set of alternatives and
16 variations represent an adequate range of actions to
17 evaluate and analyze an impact assessment. And you
18 would first like comment and then some notion of
19 consensus on that.

20 Questions, comments on the question that
21 Lester posed.

22 Tom.

23 MR. GRAFF: From my point of view, if you
24 look at it narrowly from the perspective of what
25 facilities might you build as part of this program,

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1 you know, as Lester points out, it's essentially from
2 non -- using facilities in a certain way do a lot, a
3 whole lot.

4 So from that point of view the answer is
5 yes. The problem with answering that definitively is
6 that when you really get down to it, what's going to
7 matter is what is linked to whatever set of
8 intermediate points you choose. As soon as you start
9 narrowing and you say, well, we'll put in a little
10 facility here and a little storage there and a little
11 something else somewhere else, and it's going to cost
12 a lot of money and we're a little unsure of the some
13 of the environmental impacts, and we don't know what
14 the assurances are going to be quite yet, then a
15 definitive answer is whole lot less available to
16 anybody, it seems to me.

17 CHAIRMAN MADIGAN: That is fair, I
18 understand that.

19 Stu?

20 MR. PYLE: I'm going to agree with Tom.

21 This time, Tom.

22 MR. GRAFF: Historic moment.

23 MR. HALL: Actually, it should be a cause of
24 concern, Tom.

25 MR. PYLE: But the thing, and I think Tom

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1 was bringing this up earlier, that makes as much
2 difference in the whole determination of whether you
3 got the alternatives set right, is whether you have
4 the operating criteria also set right because you can
5 take a whale of a good alternative and knock it off
6 the map if you're using some operational alternatives
7 like your export/import ratio or your -- If you do
8 something with the accord standards or whatever.

9 So it seems to me that you also have to set
10 these operating criteria someplace along in here and
11 know that, yes, this is a good set of alternatives
12 within this set of operating criteria. So I'm not
13 sure that you know that unless you also know
14 operating criteria.

15 CHAIRMAN MADIGAN: Lester?

16 MR. SNOW: We are beginning to deal with
17 that. I think we are setting a range of operating
18 criteria. I mean, just one example was the inflow
19 export ratio. I mean, that's an example of
20 setting -- you know, exploring the differences that
21 operating conditions make or operating criteria make.

22 MR. PYLE: Also on that is that there is a
23 trade-off from those who pay for the costs of these
24 programs in terms of the operating criteria. If
25 you're giving up on the operating criteria and, let's

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1 say, allowing that to more -- furnish more water into
2 outflow at various times, you pay more money in terms
3 of providing storage or some other criteria someplace
4 along in the line. So there's a big cross-play
5 between the criteria and operations and money.

6 CHAIRMAN MADIGAN: Alex, and then Mary.

7 MR. HILDEBRAND: I'll agree with both Toms,
8 too. But the point I'd like to make is that I think
9 it's a little misleading to have a lot of storage in
10 some of these alternatives and not very much in
11 others. I think each alternative ought to show what
12 storage facilities could go with that alternative so
13 there isn't the implication that if you go for one of
14 the lower numbered ones, that you can't have the
15 storage to go with it or vice versa.

16 And so it troubles me a little bit to have
17 them packaged rather than to have each alternative
18 say here are the -- here's the range of storage, for
19 example, that could go with that alternative. And
20 there may be other considerations besides storage, I
21 don't mean to pick on that exclusively.

22 MR. SNOW: I think we agree with you and we
23 don't intend that because a conveyance configuration
24 in this 17 is only shown with storage, that in fact
25 you couldn't pick at the end to do it without storage

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1 or vice versa. And so --

2 MR. HILDEBRAND: I think you could identify
3 that somewhat, though, in your package so that it
4 wasn't subject to the other impression.

5 MR. SNOW: Okay.

6 CHAIRMAN MADIGAN: Roberta?

7 MS. BORGONOVO: Perhaps back to the second
8 question, if that's all right, maybe I should wait,
9 it goes to my concerns about the range. Again, I
10 agree with what's been said, the range of
11 alternatives are something that you have to do and
12 you seem to have done that.

13 But I think, again, it's more than just how
14 you put the packages together. There's been an idea
15 floated, I don't know if anything will come of it,
16 that one of the ways in which you might do adaptive
17 management is you would begin with the first
18 alternative. And, again, when I hear that the first
19 alternative has more ecosystem restoration in it to
20 make it work, then of course the question is why not
21 that through all the alternatives.

22 So it's perhaps the way in which you move
23 philosophically through the whole area, will there be
24 enough reduction in demand through the water use
25 efficiency so that there really is less impact on the

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1 system and we really do begin to solve some of those
2 problems without having this internal battle over who
3 gets the water when.

4 That's part of what I would hope would come
5 out of it, and I don't see that in these different
6 bits and pieces that are out there.

7 CHAIRMAN MADIGAN: Lester?

8 MR. SNOW: One thing I want to point out,
9 the ecosystem restoration program is at the same
10 level in all the alternatives. So it's consistent,
11 it's one of the four common programs so it's not
12 greater. And Alternative 1A, you do depend on it
13 producing certain results more than you do in some of
14 the others.

15 MS. BORGONOVO: That's what you meant by
16 "heavy ecosystem emphasis"? It's not that there's
17 more of it?

18 MR. SNOW: Your primary emphasis in 1A to
19 reduce conflict which is the first solution
20 principle, is that restoration of ecosystem health is
21 going to make it easier in terms of maintaining
22 levees, reducing conflict with diversions. It's a
23 philosophical issue, you're putting more emphasis on
24 that. But we have the same level of action in all
25 the alternatives

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1 CHAIRMAN MADIGAN: Mary, and then Steve.

2 MS. SELKIRK: I guess I just want to ditto
3 everyone's comments so far, but also to say that from
4 my perspective there doesn't seem to be a fatal flaw
5 here which I think is hopeful.

6 I agree with Alex that it would be helpful
7 to understand a little more clearly about the
8 different -- the quantification of storage
9 alternatives, across alternatives, that wasn't as
10 clear to me. But I think by and large, the answer to
11 this one is yes, with Roberta's caveat and --

12 CHAIRMAN MADIGAN: Thank you.

13 Steve -- Sunne, excuse me.

14 MS. McPEAK: The 15,000 cfs facility is
15 matched by a 15,000 cfs intake. Is that -- are we to
16 understand that that's a total of 15,000 cfs in
17 intake and that would it be like three straws of
18 5,000 cfs or does the same concern that I asked about
19 before apply to this, that 5,000 was about the
20 constraint for fish screens.

21 MR. SNOW: In the terms of a diversion off
22 of Sac River?

23 MS. McPEAK: Yep.

24 MR. SNOW: I don't know if -- Steve, do you
25 want to respond to that? I mean, my assumption is

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1 that when you're -- I've got the wrong one up.

2 With a 15,000 cfs diversion, you're probably
3 having to do multiple banks spread over the reach of
4 the river.

5 MR. YEAGER: That's right. The comments we
6 made earlier about the fish screens apply equally
7 well here. As Lester said, you may have several
8 different modules. We will determine that as we get
9 further into the analysis and predesign and so forth.

10 CHAIRMAN MADIGAN: Steve?

11 MR. HALL: Well, I guess my answer, and
12 probably just saying in a different way what others
13 have said, is it depends. As I think this
14 afternoon's discussion has illustrated, the devil is
15 very much in the details of these things. You know,
16 we have raised a lot of questions about that are in
17 -- some of which are in greater detail than I think
18 was intended by the presentation. But it also
19 indicates where we all want to get to, which is what
20 specifically is in these alternatives.

21 I do think, though, the program is going
22 about this in the right way, which is to use
23 conceptual level analyses to weed out those things
24 which don't have as much merit as others, at least on
25 a conceptual level, and then proceed with greater and

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1 greater detail as you refine the alternatives.

2 But it seems to me that both BDAC and the
3 staff would benefit, and maybe it's the plan to do
4 this, if we had a lot more of these discussions like
5 we have had this afternoon around conceptual level
6 plans of these alternatives. I, for one, have found
7 this very helpful. I hope the staff has, as well,
8 even though Lester's remaining hair seems a little
9 grayer now than it did when we started.

10 I mean, this can't be fun for the staff.
11 But it seems to me it's very helpful to get people
12 thinking along the right lines, that there are ways
13 to solve everybody's problems but we have to get real
14 about it, we can't talk about it in hypothetical
15 terms.

16 So my first question is: Is that the plan,
17 are we going to spend some more time doing this kind
18 of thing?

19 And my second question goes to: Is now the
20 right time to raise a question about the chain of
21 correspondence on what water use efficiency? I
22 suspect it isn't, but I do have some questions about
23 Lester's response to the joint letter on agricultural
24 water conservation.

25 MR. SNOW: You've lost me, Steve. What

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1 that sign the MOU.

2 You deal with issues like the water
3 measurement -- like water measurement and pricing,
4 which are legitimate issues but very controversial.

5 And finally, you link participation with
6 receiving benefits from CalFed.

7 All of these are very legitimate issues to
8 be putting on the table. But I guess when you ask
9 the question, does this set of alternatives -- is it
10 the right range of actions, I'd say the answer is
11 yes, but depending on how you address this issue, for
12 instance, is going to matter a great deal on whether
13 people are willing to accept this package. Just as
14 the way you handle a number of the other issues that
15 we have addressed today is going to matter a great
16 deal.

17 And it's hard to answer the question because
18 there are things in your letter that cause me great
19 concern. But you might be able to resolve or
20 ameliorate every one of my concerns in that letter,
21 but I don't know that until we discuss it in greater
22 detail.

23 MR. SNOW: Well, I mean, there may be other
24 concerns than what you've specifically expressed, but
25 the points that you specifically raise have been in

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1 joint letter?

2 MR. HALL: Well, I took a left turn on you,
3 Lester. In the meeting packet, there is a joint
4 letter from environmental groups dated April 8th.
5 You responded May 6th.

6 The reason I ask why it's -- why -- whether
7 this is the right time is because of my earlier
8 comment about the devil being in the details. So let
9 me just use it for illustrative purposes.

10 Lester, you're looking around like you
11 haven't a clue what I'm doing.

12 MR. SNOW: I do, but I don't have a copy in
13 front of me.

14 MR. HALL: Okay. Well, I don't -- you may
15 not need one, but let me give you an example.
16 Obviously, urban, agricultural and hopefully
17 environmental water management are going to be part
18 of this package. You and your response say some
19 things that appear to me to be staking out a position
20 on the issue.

21 For instance, you talk about the possible
22 need for legislation, that's at the bottom of page 1,
23 similar to the Urban Water Management Planning Act,
24 the connotation being that AB 3616 isn't enough.
25 You call for upping the number of agencies

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1 our water use efficiency program for some time. And
2 so this isn't something raised in this letter. This
3 has been the content of our water use efficiency
4 program for nine months or so.

5 MR. HALL: And I'm not objecting to those
6 being a part of the discussion. But when you talk
7 about such far-reaching things as legislation and
8 dealing with water pricing in the context of water
9 use efficiency, which is not a part of the AB 3616
10 MOU, then obviously that raises concerns.

11 It's not to say that you shouldn't explore
12 them, as I think they have been explored in the water
13 use efficiency work product that have been put out,
14 but it's going to matter a great deal whether
15 agriculture supports this based upon how far down
16 those kinds of roads you want to go, how you address
17 those issues, not whether you do them but how.

18 MR. SNOW: Yeah, but -- and I think that
19 will be an interesting discussion to further the
20 basic issue. But there's -- I mean, I really need to
21 stress that in the alternative appendices where we
22 describe the common program, we have the water use
23 efficiency program as it was developed through the
24 work group and dealt with here, and it contains a
25 number of those issues that you've raised concerns

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1 about. So they are currently part of the program
2 that we are evaluating, just as the ecosystem
3 restoration activities are and as these conveyance
4 and storage alternatives are.
5 So I'm stressing this just to draw a line
6 between some things we might speculate on and those
7 things that we have already included in the program.
8 And specifically, one of the assurance trigger issues
9 was that if the voluntary approach doesn't work with
10 3616, there's not enough subscribers, what was
11 concluded as an assurance mechanism was to go and get
12 legislation to be analogous to the Urban Water
13 Management Act. And we've included that in the
14 program.

15 The second thing was given that it's a
16 voluntary based approach, which we have subscribed to
17 in our program, and that's a matter of controversy,
18 but we've subscribed to it. We have said that if an
19 entity wishes to get benefits out of the CalFed
20 solution, water supply or access to transfers, they
21 must demonstrate that they have implemented the
22 program.

23 And so we have included those and those
24 are -- I mean, I would portray those to everybody as
25 the CalFed BDAC product that we have worked our way

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1 through.
2 Pricing, and I don't remember how I dealt
3 with it in the letter --
4 MR. HALL: You didn't deal with it
5 extensively.
6 MR. SNOW: It's an issue that I guess needs
7 to be dealt with.
8 CHAIRMAN MADIGAN: Michael?
9 Anybody else?
10 All right. Lester, do you have your
11 comments?
12 MR. SNOW: Yes.
13 The one thing I'd like to add before I
14 conclude, and it's how I started this discussion and
15 maybe it's more meaningful now, we tried to come up
16 with a way to present these alternatives to have
17 meaningful discussion and focus on the right issues.
18 But we really start -- we need to start
19 hearing from you as exactly what kinds of issues do
20 you want to explore so that we are not pretending we
21 know what the hot points are for BDAC or for the
22 public but we're kind of getting back from you other
23 ways to portray this because there's so much detail
24 in any given alternative, you can cut it a hundred
25 different ways.

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1 And so as you think about it, maybe even
2 before you adjourn today if people have some
3 thoughts, I heard earlier this morning some thought
4 of us touching base with all of the work group chairs
5 to kind of get an assessment of what's the hot item,
6 how should we portray it, and so we can follow up on
7 that. But any advice people have on how to present
8 this stuff, how to agendize it, would be quite
9 helpful to us.

10 CHAIRMAN MADIGAN: Okay. This would be an
11 appropriate time for public comment, if there is
12 anybody in the audience.

13 Mr. Petry, sure, good time.

14 MR. PETRY: Good afternoon, Mr. Chairman and
15 members of the council. It's a pleasure to see as
16 many people have shown up on the council as there is
17 here today. And I haven't seen so many attendants
18 since I'm been coming to these meetings and I'm
19 thankful for that, even though the representative
20 from my area isn't here. If she were, I don't think
21 she would say anything anyhow.

22 The thing about Steve Hall talking about
23 being able to take care of the San Luis drain water
24 in my area, it could be done with additional storages
25 in with a blending process that would make the water

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1 acceptable to the San Joaquin River and the fish.
2 Three-tenths of a mile from where the
3 Mendota Dam is where the San Luis Drain Canal is, the
4 main canal. You wouldn't have to complete it, you
5 bring back the underground plumbing. You wouldn't
6 have to buy out the land. You wouldn't have to buy
7 my property, and you can satisfy the
8 environmentalists and the habitat. You could bring
9 the habitat back on the San Joaquin River between
10 Gravelly Ford and the Mendota pool.
11 You wouldn't have the congestion like Alex
12 was talking about. When we talked about meanders,
13 levees, he's right. You're going to get congestion.
14 You're going to get more sedimentation.
15 What happened with the (inaudible), if the
16 (inaudible), east side Coachella (inaudible) had the
17 capacity to handle the flood flows '96-'97, the
18 congestion below the (inaudible) would have blown the
19 river right out of proportion the same way. It
20 wouldn't have made any difference.
21 The agra forestry is doing the same thing,
22 they are planting the willow trees in the creeks.
23 The creek will blow out where they plant the trees.
24 Same thing with eucalyptus trees. It isn't a
25 functional process. It doesn't seem to be working.

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1 When we talk about assurances and we
2 mentioned a lot of assurances today, I would like to
3 see the word guarantee rather than assurances. The
4 reason why I say that is we need to come about with
5 better water quality, urban, agricultural, industry.
6 A slap on the wrist isn't going to do the job.
7 That's not good assurance. It's not like any
8 guarantee that they are not going to do it again.
9 There needs to be fines imposed so that we can have
10 water quality.

11 The other thing I would like to discuss, if
12 I may, is that in our area, in the six-year drought
13 we've had up to 1700 parts of totally dissolved
14 solids in our aquifer. I've shown you reports
15 (inaudible) committee. 1700 parts of total dissolved
16 solids is disastrous and we went through a six-year
17 period of that. It was because of the overpumping
18 east of the Mendota pool, or east of Mendota around
19 the Mendota pool and the lower San Joaquin River in
20 our area.

21 Recently they started up the pumps again,
22 not only the pumps that were existing but they added
23 more pumps to it and they got portable units and
24 they're going all they can. We're confronted with
25 another dry year and I can understand where

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1 agriculture needs the water, but what I can't
2 understand is why we can't have more storage to
3 accommodate these aquifers.
4 If we had a continuous flow in the San
5 Joaquin River, we could replenish those aquifers.
6 They wouldn't be sucking the water out of our aquifer
7 and drawing the San Luis Drain water into our
8 aquifer. This is going to keep on happening until we
9 can do something in the area of which I live.

10 There needs to be consideration, deep
11 thought, about additional storage in Millerton Lake.
12 The 500,000 acre foot will be a thankful thing on
13 behalf of my community and the people along the San
14 Joaquin River. It needs to be done.

15 If you think of the cost factors, you could
16 blend the San Luis Drain, you wouldn't have to
17 complete the canal. You would save that. You would
18 save the underground plumbing. You'd keep us from
19 having to put all this money into well fields or
20 pursuing surface water that isn't that good anymore
21 because of water quality.

22 There needs to be deep thought and deep
23 consideration over various areas -- over the various
24 areas about water storage, not just concentrating in
25 one area. The further away your source of supply

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1 water comes from, the more beneficial uses that you
2 can get from it, the more uses you get before it
3 reaches its destination. So many people can be
4 satisfied along with agriculture.

5 Thank you.

6 CHAIRMAN MADIGAN: Thank you, Mr. Petry.
7 Alex?

8 MR. HILDEBRAND: Mr. Petry has been telling
9 this group repeatedly about the third-party impacts
10 that have occurred in his area in a cumulative manner
11 over time.

12 For those that aren't familiar with the
13 area, let me try to give you very briefly my
14 understanding of what's happened there because I
15 think it has rather broad implications in that we
16 blindly reallocate water without adequate scrutiny of
17 the third-party consequences of doing that.

18 Prior to the CVP, the aquifer on the east
19 side of the river in Ed's area and down including the
20 bed of the river, was constantly replenished by
21 seepage from the releases out of Friant Dam (ph), and
22 that provided high quality water that went into the
23 aquifer and the gradient in the aquifer was from east
24 to west.

25 The CVP changed all that. The CVP greatly

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1 reduced the recharge of that aquifer on the east
2 side, and at the same time started bringing in a
3 million tons or so a year of salt through the Delta
4 Mendota canal and delivering it on the west side so
5 that the leach water from the application of that
6 land on -- that water on both wetlands and ag lands
7 has been salinizing the groundwater on the west side
8 of the valley.

9 The result then is that we have very
10 salinized groundwater on the west side, and the
11 gradient has been reversed so that the groundwater is
12 moving from west to east. So in the Mendota area
13 there, the City of Mendota and surroundings, instead
14 of having high quality water coming from the east in
15 their aquifer, they have lousy water coming from the
16 west and as well as a big drawn-down on the
17 elevation.

18 And now just within the last week or so,
19 there was -- this got exacerbated a little bit
20 further, it's not a big increment but it's, again, a
21 cumulative impact, it was decided by the water
22 managers that to reduce the amount of water supplied
23 to the west side of the valley, and then that had to
24 be made up by drawing down the San Luis Dam, and then
25 that began to run out of water so they rushed in and

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1 dug a whole lot more wells to the east of Mendota,
2 draw down the water table some more and accelerate
3 the degree to which this lousy salinized water is
4 drawn through to their well system.

5 So it's an example of what's going on all
6 the time; that the water managers do things that are
7 their interest to do, for one reason or another, and
8 do it without adequate scrutiny of the intricacies of
9 the impacts that occur from doing those things.

10 I think we should get away from this idea
11 that we are going to transfer more water, reallocate
12 more water around with less scrutiny, and go in the
13 other direction and say that you've got to do more
14 scrutiny and more intelligent scrutiny of the
15 consequences of these reallocations.

16 CHAIRMAN MADIGAN: Thank you.

17 Tom?

18 MR. GRAFF: I have a question for Alex.
19 What -- are you complaining about how much water gets
20 pumped down there from the Delta which has salt in
21 it? I mean, I took a look at the San Luis Unit, a
22 little newsletter they put out, they're projecting a
23 million and a half acre feet usage I think within
24 Westlands alone in this water year, which is
25 supposedly dry. It struck me as a fair amount of

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1 water. Shall we feel sorry for them, is that the
2 idea?

3 MR. HILDEBRAND: The salt problem is a
4 result primarily of taking water from the Delta and
5 pumping it down there with a big salt load that then
6 is applied to those lands and the crops and the
7 wetlands consume the water as a consequence of growth
8 and leave the salt behind and we're salinizing the
9 area down there. We've accumulated something in the
10 order of 35 million tons of salt in the -- just in
11 San Joaquin River watershed, not going on through
12 Westlands and down further south.

13 Now, sure, if we shut that off, we'd take
14 care of the salt problem. But we have several times
15 the population we had before we did that, and if we
16 are all going to eat, we got to keep giving them
17 water. So we got to solve the salt problem without
18 putting all of that land out of production. And
19 there are ways do that.

20 One of the ways to contribute towards
21 solving it is a letter that is in your packet today
22 that I wrote to Lester back in March, of a scheme for
23 getting some of that salt out without damage it's now
24 causing.

25 However, that solution would take care of

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1 the salinity in the river. It wouldn't take care of
2 the problem Ed's talking about because that's a
3 little bit south of the watershed divide there. And
4 so we have got to stop salinating an aquifer which
5 people have to use and which is salinated because of
6 that activity.

7 If you restored the recharge and the
8 Gravelly Ford area and down the Mendota pool, the
9 gradient would again go the other way, and the area
10 Ed's worried about wouldn't be reaching that reverse
11 flow from the other side.

12 I don't think we can go back to what we had
13 when I was a boy, and you -- even when you were a
14 boy, which was a little more recent, but you can't
15 restore the meadowlarks in the Berkeley hills over
16 there when I was boy, too many people now. We have
17 got that problem all over the place.

18 So we have to figure out how to do better,
19 but we still have to get along with all these people
20 we've got. And so I don't think you can have a
21 solution that just that says, no, we are going to
22 quit providing food for the population. The amount
23 of food we export wouldn't feed the 20 million people
24 we are going to have in less than 30 years, and
25 nobody seems to want to have any plan as to how we

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1 are going to feed 20 million more people. But it
2 seems to me, as a grandfather, that's kind of an
3 important subject.

4 CHAIRMAN MADIGAN: Judith?

5 MS. REDMOND: The basic principle that we
6 agreed to was that we didn't want to have redirected
7 impacts from our actions. And if we have a
8 discussion about what we think our significant
9 third -- what some people are saying our significant
10 third party or redirected or community impacts and
11 you think that these are -- that we are just asking
12 you to feel sorry for people, it's seems to me there
13 you're not understanding the basic issue -- the basic
14 principle of not having redirected impacts.

15 These are, you know, community impacts,
16 environmental impact, impacts on the groundwater.
17 Those things are serious. And we are trying -- we
18 are trying to develop solutions that wouldn't have
19 those kinds of redirected impacts.

20 CHAIRMAN MADIGAN: Tom?

21 MR. GRAFF: I would say we should concern
22 ourselves with impacts on everyone including
23 Mr. Pety's community. I don't think we should take
24 as a given that the Westlands Water District is
25 entitled to a million and a half acre feet of water

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1 per year.

2 MR. HILDEBRAND: If they go out of business,
3 what are your grandchildren going to eat?

4 MR. GRAFF: Maybe what we should do, to
5 respond to the eating of my grandchildren, I don't
6 have any yet but I hope to have some, is to have some
7 experts on long-term agricultural capability and use
8 of water, and bring them in and let's hear various
9 points of view. I don't happen to subscribe to the
10 point of view that Alex has that a little more use of
11 the free enterprise system would cause us all to go
12 hungry, but maybe I'm wrong.

13 MR. HILDEBRAND: I welcome your suggestion.
14 I note that the CalFed Policy Committee does not
15 include either the State or Federal Department of
16 Agriculture, and we don't have a representative of
17 agriculture that's effectively engaged in this
18 process.

19 CHAIRMAN MADIGAN: Okay. I appreciate the
20 viewpoints. I mean, you guys posed some of the
21 fundamental issues well and it's not always a bad
22 thing to remind us of what some of those issues are.

23 All right. We will move on to the next
24 agenda item, which is the alternative evaluation
25 process. Rick -- where did he go? I saw him --

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1 there he is -- and Ron. And at the end of Ron's
2 presentation, the question will be, what are the BDAC
3 concerns with the alternatives and variations
4 relative to the solution principles, and we will
5 attempt to do the same thing that we did this last
6 time around.

7 MR. BREITENBACH: Ron and I will be doing
8 this in tandem. I'm going to take the first half of
9 it and talk about the process, Ron will then speak to
10 actually going through the first part of the
11 narrowing effort that we intend to undertake with a
12 little more detail than what I'll offer.

13 I would like to use this to begin with
14 because it gives you a chance to see the whole
15 process and also gives me a chance to talk about
16 different things before we actually get into the
17 various steps.

18 This is May, we hope to be through by
19 September, fairly short time period. We are going to
20 be narrowing the 17 variations down to eventually the
21 preferred alternative between now and September.

22 We have two steps in which we'll narrow and
23 then we have the third step which is the detailed
24 evaluation step, in which we will array information
25 for decision makers to allow -- enough information to

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1 allow them to go to that last step. This is a
2 preferred alternative based upon the information
3 you've put in front of us.

4 The information that we are going to use
5 gets more comprehensive and more detailed as we move
6 forward over time. What we start with today, there
7 will be a lot more by the time we get to the end of
8 the process.

9 The other item, and Lester mentioned this
10 earlier, is that these 17 variations have a certain
11 form right now. As we move through this process,
12 that form is probably going to change. And the end
13 product, the preferred alternative, while looking
14 like one of the 17 variations, might be quite
15 different in some aspects.

16 So this is the first of two narrowing steps,
17 and it's not narrowing by elimination but rather
18 narrowing by refinement. What we are proposing to do
19 between now and June, is take the 17 variations and
20 contrast them with the solution principles that we
21 developed earlier on and see how well they do against
22 the solution principles. So we'll develop a matrix
23 that will say Alternative 1A accomplishes this with
24 respect to all the solution principles, 1B, 1C, and
25 so forth.

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1 What we believe we'll find out doing that is
2 that some of them meet solution principles much
3 better than others. Now, we are just not going to
4 eliminate those that don't meet the solution
5 principles as well as others, but add things to that
6 alternative to try to bring it up so that it does
7 meet the solution principles equally with the others.

8 Lo and behold, what we might find is that
9 some of those newer alternatives or repackaged
10 alternatives are very similar to what we already
11 have, and so we think we might be able to set some of
12 them aside that way. So we are narrowing by
13 refinement.

14 Across the bottom, you see the different
15 pieces of information that we'll use to help us get a
16 sense of whether or not they meet the solution
17 principles. Output from all of those will be used
18 for that purpose. And as I said earlier, as we move
19 through this process, that output should -- we should
20 get more detail, it should be more comprehensive.

21 This is the step that Ron will come back to
22 in a few minutes and talk about a little more
23 specifically because it is the first one that we are
24 going to undertake.

25 Next.

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1 This is the next narrowing step.
 2 Theoretically we are down to something less than 17,
 3 we have depicted 12 to 13. This process goes from
 4 July to August.

5 What we are going to be doing here is see
 6 how well each of alternatives, the remaining
 7 alternatives meet the program objectives. We are
 8 also going to look to see how -- what sort of impacts
 9 there are associated with the alternatives and array
 10 those.

11 Again, we are going to look at the package
 12 that we have completed and see which ones do better
 13 than the others, and what can we do to those that
 14 don't do as well to bring them up to the same level
 15 as the others. And, again, the idea is that we will
 16 probably be able to come up with packages that are
 17 similar to the ones that we already have or some of
 18 the ones we have and be able to eliminate some.

19 This is only a theory. We haven't gone
 20 through the process yet so we are going to see as we
 21 would go through, how this all unfolds.

22 Again, we are using the same studies. One
 23 thing that we have added is some of the financial and
 24 assurance packages. We hope that they provide some
 25 insight as to which of the alternatives are going to

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1 be better than the others. So by the end of August,
 2 or somewhere within August, we are thinking we are
 3 going to have six to eight alternatives variations.

4 Next step, please.

5 Now these six to eight alternative
 6 variations then are the ones that everybody will
 7 debate upon. We are going to array as much
 8 information as we can about them so that people that
 9 are going to make decisions can look at that
 10 information and come up with the preferred
 11 alternative.

12 One of the things that we are looking for
 13 from all of you over the next couple months, are what
 14 are those key issues that we should focus on at this
 15 time so that information is in front of you to help
 16 you make these decisions, or in front of the ones
 17 that do have to make the decisions to get to that
 18 preferred alternative.

19 We are going all the way back then at this
 20 time with six to eight, if it gets to six to eight,
 21 compare them to the program objectives again, see how
 22 well they do with respect to impacts, and then look
 23 and see how well they do with respect to the solution
 24 principles; array all that information, and then
 25 people will sit down and decide what that preferred

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1 alternative is going to be.

2 Are there any questions on the process?
 3 This is a lot easier than the last.

4 CHAIRMAN MADIGAN: Alex?

5 MR. HILDEBRAND: Your charts don't mention
 6 the common program.

7 MR. BREITENBACH: The common programs are
 8 part of the alternative. Each alternative includes
 9 the common programs.

10 CHAIRMAN MADIGAN: Bob?

11 Use the mike.

12 MR. RAAB: In the implementation strategies
 13 you have financial assurance, and I'm just wondering
 14 if there is some reason why adaptive management isn't
 15 in there.

16 MR. BREITENBACH: It's a part of the
 17 alternatives with respect to the RPP program, so
 18 adaptive management is inherent in each of the
 19 alternatives. I guess we could spell it out there as
 20 well to emphasize it, but it's part of each
 21 alternative.

22 CHAIRMAN MADIGAN: Stu, then Tom.

23 MR. PYLE: Rick, when you asked for our
 24 feedback and you asked for issues, it seems to me
 25 like we've been identifying issues and identifying

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1 issues, and what we are interested in -- what I'm
 2 interested in is seeing the detail, the valuation
 3 results. I want to see these things that we have
 4 been saying before, and I think that Steve was
 5 bringing up earlier, when you run an alternative,
 6 which parameters are going to be shown in terms of
 7 inflows and outflows and export water and
 8 improvements in the environment, et cetera, et
 9 cetera.

10 But I think rather than issues, that we are
 11 concerned in viewing the results of the analysis as
 12 it goes along. And whether you call that issues or
 13 not, I don't know, but that's what the whole thing
 14 hinges on.

15 CHAIRMAN MADIGAN: Tom?

16 MR. GRAFF: The little picture of those
 17 people sitting around, that's us?

18 MR. BREITENBACH: Committees, yes, along
 19 with the different technical committees that we have.

20 MR. GRAFF: Are you expecting that in our
 21 August meeting, I don't know if we have an August
 22 meeting, I guess we have a July meeting, we are going
 23 to express opinion on what the preferred alternative
 24 should be?

25 MR. BREITENBACH: At the July meeting, the

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 1 sense is that we are going to come back to you with
 2 the first step; we have done this with respect to the
 3 solution principles and this is what the output looks
 4 like and we are going to try to walk you through that
 5 and get some feedback at that time.
 6 The August meeting, then you're down to the
 7 second narrowing step where we will come back and
 8 say, here is what we've done and this is the results
 9 of comparing them against the program objectives and
 10 which ones have an impact -- which ones have greater
 11 or lesser impacts. So we have gone from 12 to 13,
 12 now to six to eight, does this look legitimate to
 13 you.
 14 And then finally, then those are the ones
 15 that you carry in and provide detail to and then
 16 select the preferred alternative.
 17 So July, you're looking at the first
 18 narrowing step, August, the second narrowing step,
 19 and then from that period on there's discussion about
 20 the third step, which is the evaluation step.
 21 MR. GRAFF: Well, maybe I should ask Mike,
 22 when do we individually or as a group express an
 23 opinion, or do we, as to what ought to be the CalFed
 24 draft preferred alternative that hits the street,
 25 whenever it is in the fall?

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 1 CHAIRMAN MADIGAN: It's a good question, and
 2 actually Lester and I were just starting to talk
 3 about that a little bit in terms of maybe our not
 4 having enough time to do a little of that in this
 5 process. I mean, it really sort of responds to some
 6 of the conversations that we had this morning as
 7 well; that we need to find some time for this group
 8 to have just that kind of conversation in here.
 9 And I suspect that within the next day or
 10 two we'll probably have to make a decision to add
 11 another meeting to the agenda to do -- to have that
 12 conversation, without much else on the agenda, so
 13 that we can really get into it.
 14 And your question is right on point, and I
 15 don't think I have the answer today, but I think we
 16 will very quickly.
 17 Okay. Ron?
 18 MR. OTT: Thank you.
 19 Well, our first step that Rick's talked
 20 about is step one of the narrowing process where we
 21 compare the solution principles. And what I would
 22 like to do is, you've been handed out what you
 23 received in February, and I know you can't read this,
 24 that's why we handed that out, but I'd like to bring
 25 your attention to the solution principles and what

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 1 they really mean.
 2 In this area we always talk about reducing
 3 conflicts, being equitable, being affordable, being
 4 durable, being implementable, and have no significant
 5 redirected impacts. And we've all talked about that
 6 today.
 7 What I want to call your attention to,
 8 there's a lot of sub -- what we call subsolution
 9 principles that roll up into that area. We will look
 10 at four different areas of resource areas and see if
 11 we minimize the conflict. There's four or five --
 12 there's four areas that we'll look at to be
 13 equitable, three for affordable, four durable, five
 14 implementable, and six -- two for redirected impacts.
 15 Let's take a little look at a couple of
 16 those closer. If we were just to pick one that
 17 says -- let's look at the durability one and the
 18 implementability one, and this is where we need help
 19 from the council. Look closer at one of those areas.
 20 If we look down in here and we say, let's
 21 look at the one "accommodate hydrologic and other
 22 physical uncertainties." We've heard about
 23 uncertainties, how do we judge this? In order to
 24 compare an alternative against the solution
 25 principles, we have to compare it against each one of

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 1 these issues and then roll up and say, how durable is
 2 that alternative? That's our process that we are
 3 going through as we speak.
 4 Another one you can look under
 5 implementability, and it says, "minimize major legal
 6 and institutional changes." That has a little bit to
 7 do with probably assurances.
 8 Our dilemma would be if we plot those
 9 against each other, if we looked at certainty, the
 10 more certainty we want or the more assurances that we
 11 require goes up, and we want to do flexibility to
 12 accommodate this, the curve probably might look like
 13 this. We just pulled it out of the air.
 14 What it says is the more flexibility you add
 15 in the system to take care of uncertainty, the more
 16 assurances you may need. So if you're way out on the
 17 flexibility end, you may score very high here. You
 18 may have to have so many assurances you score low
 19 here is the point.
 20 We just want to get you thinking about these
 21 types of things that we have to think about in order
 22 to roll these up.
 23 Let's look at another interesting one.
 24 Let's be affordable and be durable, pick two of them
 25 here. "Least expensive solution that meets the

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1 objectives."

2 Over here we'll look under "be durable, be
3 adaptable," we talked about adaptive management, to
4 address a biological uncertainty. We are going to
5 judge each one of the alternatives against each one
6 of those attributes. So let's make a curve for that
7 also.

8 What it says again, if I've got a lot of
9 flexibility, all different ways I can meet and make
10 sure that I get the mileage (inaudible) and my costs
11 may be going up. So in one way I may have
12 counter-cost against this, let me rank high here and
13 low here, or vice versa, and then roll these up.

14 That's the kind of process we need help from
15 from this group, is what do these really mean and how
16 do we judge one alternative against another for that
17 particular attribute.

18 When it comes down to benefits when we're
19 seeing how well an alternative meets the given
20 objectives of the program, we have had technical
21 committees, we have had work groups. We've got a lot
22 of that information of how well we'd meet targets.
23 We have an alternative we can say it meets the target
24 this well, so we can judge that, roll it up fairly
25 easy.

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1 You've heard about impact analysis, and we
2 can do all the impacts and roll those up once we have
3 ability to meet objectives, and once we have -- know
4 the impacts, we can come over and start solving
5 solution principles.

6 But our first cut would be, if we put out --
7 let's just take an example, and this by no way means
8 that we are going to cut this particular alternative,
9 but the types of things I've heard today, if we
10 looked the chain of lakes, what would we look -- one
11 of the areas we may look at, is that the cheapest way
12 to go through the Delta, the least cost expensive,
13 how would that rank.

14 In this particular alternative, we use a lot
15 of pumps. We have four or five pump stations. So
16 that may say that may be not the cheapest way to go
17 through, we'll just look at it.

18 The only thing we may look at, it takes
19 horrendous amounts of land so are we doing a lot of
20 solution principle No. 6, are we redirecting a lot of
21 impacts are the kind of questions we'd ask you.

22 Another one may be that do we really achieve
23 the water quality objectives by flooding islands like
24 that and drawing most of our water through that area.
25 These are the kinds of questions we will be

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1 asking ourselves to rank each one of the alternatives
2 against the solution principle so we can go through
3 that narrowing, refining process.

4 Any questions or any comments on the graph?
5 You got a better graph?

6 MS. McPEAK: Are there any questions or
7 comments?

8 Yes, first Bob and then Richard.

9 MR. RAAB: Ron, you showed the chart on
10 assurances versus -- legal assurances versus
11 flexibility.

12 MR. OTT: You may be able to look at that as
13 the number of hostages you need to get all the
14 flexibility you got.

15 MS. McPEAK: Touche.

16 MR. RAAB: Absent that possibility, suppose
17 between now and then in the San Francisco Bay area we
18 were to find out that because of a study that may be
19 out soon, that San Francisco Bay needs an inflow of
20 averaging, say, 18 million acre feet over a period of
21 10 years, average, and a miracle of miracles we get a
22 water right just almost overnight. That's a joke, I
23 guess.

24 But in any case, there we would have -- just
25 as an example of what you were getting at, you would

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1 have something that would just shape the whole
2 dynamics of the whole regime of water flows, and it
3 would be presumably inflexible.

4 And this isn't just -- actually the only
5 thing that may be wrong with this example I'm giving
6 you is just that it isn't going to happen fast
7 enough, but it may possibly happen within several
8 years; that we in the Bay area will have enough
9 information to be able to say that we are not getting
10 now the minimum inflow that we need to have a
11 sustainable bay.

12 MR. OTT: Lost your question. What's the
13 question?

14 MR. RAAB: Well, no wonder. The question
15 is: How do you come up with an alternative in July
16 or August or September, that may run into major
17 obstacles a couple years down the line, a fundamental
18 change in the way you shape your alternative?

19 MR. OTT: It almost sounds like legal and
20 hydrological uncertainty is the two solution
21 principles we'd deal with in that area and how we'd
22 rank those for the possibility that might be able to
23 happen. Some of those -- I know this is not the same
24 level, but in hydrologic uncertainties, I wonder if
25 we'd get a raise in sea level by a foot, how would

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1 this alternative -- how would we rank that versus how
2 would we rank a legal water right that said change
3 the whole aspects of this alternative.

4 MR. RAAB: Maybe I can give you a better
5 example. Suppose you're preferred alternative
6 includes a 5,000 cfs canal or pipeline and you find
7 out after several years, several years down the road
8 you find you cannot construct a reliable fish screen
9 at hood, just isn't working. This would be quite a
10 few years down the line. How do you cope, what is
11 going to happen five or ten years down the line if
12 you propose something today and you build it, let's
13 say, and it doesn't work?

14 MS. McPEAK: Let's have Lester respond, then
15 Richard, then Alex.

16 MR. SNOW: I think part of the response to
17 the more general question, and maybe I can get to the
18 fish screens question, too, but one of the things I
19 want to kind of keep us focusing on is that what
20 we -- the decision that we hope to get to in November
21 is a draft programmatic. And we are not making the
22 project level decision; it's the draft programmatic.

23 And even after we do that there's
24 considerable work that will go on after the release
25 of the draft before we go to final. So we are

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1 constantly increasing our level of detail and
2 knowledge about these matters. And then a year later
3 you get to make the final programmatic and then you
4 go on into more project level evaluation.

5 And so, I mean, you're not absolutely
6 deciding the end of this year that it will be a 5,650
7 cfs facility exactly located in this location with
8 this type of fish screen. You're making the more
9 programmatic decision and then you have to continue
10 with your evaluation.

11 The real specific question that you raise is
12 that you actually have a high level of confidence
13 even after you go through Phase 3, and you've
14 designed a fish screen that is going to work and in
15 application it doesn't, what happens at that point?

16 I don't think we have addressed that at this
17 point, but that has to clearly come up as we go
18 through the assurances and how you go about
19 implementation of those.

20 MR. RAAB: That does not impede whatever
21 you're -- coming to a preferred alternative, is that
22 what you're saying?

23 MR. SNOW: I think the issues of uncertainty
24 definitely affect your decision making. If you have
25 as, you know, a number of key components, things that

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1 you have a 50/50 chance of their working or not, then
2 that kind of starts leading you into other
3 alternatives that you have higher confidence in.

4 MS. McPEAK: Richard?

5 MR. IZMIRIAN: Bob's example about the fish
6 screen was exactly a major argument related to the
7 peripheral canal. I'm thinking ahead of going to our
8 constituent groups and presenting this stuff. I
9 think assurances is going to be the key to every
10 question that's asked, and I think we are all going
11 to need a lot of help in that regard. I think
12 everybody is going to be looking for that flexibility
13 and everyone is going to be looking for what
14 institutions are going to be guaranteeing that
15 flexibility.

16 MS. McPEAK: Hap, you're going to comment on
17 the assurances aspect of these questions, right?

18 MR. DUNNING: I was going to comment on
19 something Lester said.

20 MS. McPEAK: Okay. Then I'll take you in
21 order, if you don't mind. Alex, and then Hap.

22 MR. HILDEBRAND: On this text that was sent
23 out on solution principles, it states, "There is no
24 obligation to provide benefits to those unwilling to
25 contribute towards the solution."

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1 I'm not clear as to how that relates to
2 relief for impacted parties since such as the City of
3 Mendota. Do they get no relief unless they pay?

4 MS. McPEAK: You're on, Lester.

5 MR. SNOW: I think the issue there is the
6 concept of beneficiaries pay. And I think that the
7 cleaner example is that if, you know, a given water
8 agency doesn't want to participate in, say,
9 construction facilities, then they don't really have
10 access to any increased water supply that results
11 from that.

12 MR. HILDEBRAND: I think, though, that the
13 wording here is a little more all inclusive than
14 that, unless you define benefits to be something
15 beyond correction of the impacts that they've already
16 occurred.

17 What do you mean by a benefit in this
18 context of this sentence?

19 MS. McPEAK: Benefits as distinct from
20 mitigations, and that -- I'm seeing a nod from
21 Lester, this which goes in part to your question.
22 And that's going to be, I predict, an issue in a lot
23 of the components; looking at it is benefits above
24 the current system or mitigation from operation of
25 the existing facilities, or what is expected or

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1 anticipated to be impacts of any new facilities.
2 So the debate between benefits and
3 mitigation is one that will begin to override and
4 overshadow some of what we discuss in an assurance
5 plan, and then most importantly in a finance plan.

6 Hap?

7 MR. DUNNING: Well, I want to make a short
8 question and then a question to Lester. He gave the
9 example of the fish screen that doesn't work. The
10 comment is it suggests to me we ought to think about
11 adaptive management outside the habitat area. It's
12 something that cuts across all areas.

13 But my question is: What -- if Lester would
14 think out loud for a minute, what do you think should
15 happen then? A lot of money is put into a fish
16 screen, it doesn't work, what then?

17 MR. SNOW: Well, I mean, it would depend on
18 the situation. It may be try a different style of
19 fish screen. The implication could be that you can't
20 use that -- your opportunity to use that diversion is
21 greatly diminished because you're unable to screen
22 out the fish in question. So the only time you would
23 be able to use it is when you don't have fish that
24 you're impacting. That could be one recourse
25 operationally.

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1 The other recourse would be to look for a
2 better design and modify it.
3 MR. DUNNING: Do you build that operational
4 recourse into the preferred alternative and say,
5 well, the preferred alternative is to divert this
6 much at this point if the screen works. If it turns
7 out it doesn't work, we're not going to do that?

8 MS. McPEAK: May I also comment -- I
9 interrupted you and I shouldn't. You answer first
10 and then I'll comment.

11 MR. SNOW: I guess the best answer is I
12 don't know how to deal with that kind of detail at
13 this point. We are still trying to get these
14 packages together to see what works and what doesn't
15 work, and then we need to get into that type of
16 design level detail.

17 MS. McPEAK: The comment I was going to make
18 is to think conceptually along an axis where you've
19 got increasing unreliability or uncertainty about the
20 fixes against the objectives of ecosystem
21 restoration. And what you want -- one approach that
22 we might consider is obviously taking those things
23 that we have the highest reliability, are confident
24 in, the least risk, continue implementing them in
25 sequence in order to see if we achieve the objective.

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1 To the extent that there is a component
2 where we have great unknowns, that's not the thing
3 you build first. And it may be in a package that we
4 say may be necessary and potentially acceptable, but
5 not the first thing that is constructed.

6 Now that, I think, is going to be become a
7 very significant part of the assurances, is the
8 approach that has -- to the philosophy of meeting the
9 objectives with the least intrusion in the
10 environment against the objective of the ecosystem
11 restoration and taken in a logical sequence against
12 the performance standard which is the ecosystem
13 restoration.

14 That's the way to adaptive management that
15 doesn't put us in the high risk gamble of guessing
16 what will work, but acknowledging we may need some
17 things that today we don't have a full assessment of.

18 Steve, and then Tib, and then Bob.

19 MR. HALL: Would you agree, Sunne, that the
20 risk has to be balanced against the need to move
21 ahead on all the program objectives, if not on an
22 equal basis, in a timely way?

23 MS. McPEAK: Yes. Yes, absolutely.

24 MR. HALL: On Bob and Hap's hypothetical on
25 the fish screen, I guess a real life analogy that I

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1 fall back on in a technical problem case like that is
2 what has happened in the Glenn-Colusa irrigation
3 district. They had a very difficult fish screening
4 problem. There were multiple alternatives that
5 actually got narrowed down to three options, one
6 favored by Fish and Wildlife Service, one favored by
7 the district, another favored by Fish and Game.

8 The solution was not to -- not screen for
9 fish or to quit diverting, the solution was to bring
10 together the technical people so that some consensus
11 could be developed and ultimately it was. There was
12 a lot of testing done on alternative designs before
13 that consensus was developed.

14 I suspect we'll have to do same thing, not
15 only on fish screens but on a lot of these technical
16 problems. But I don't think it's a either or, I
17 think it's how do you solve the problem. And to me,
18 if we can't solve fish screening problems, we better
19 go back to square one because that is fundamental to
20 solving Delta problems, whatever the design of the
21 system.

22 MS. McPEAK: Okay.

23 Tib?

24 MR. BELZA: Just quickly in comment, and
25 it's not only one silver bullet that's going to solve

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1 the problem. If it was, we'd go hit it right now.
 2 And so there's a lot of programs going on today
 3 before any of these are even implemented that may
 4 show a lot of promise and work.

5 So I think just as there's not single thing
 6 that causes a problem, it's not going to be one
 7 solution that solves it. It's going to be a series
 8 of solutions combined.

9 MS. McPEAK: And are you satisfied that the
 10 approach that could incorporate a package of
 11 solutions is at least in the mix right now?

12 MR. BELZA: I think so. But like Lester
 13 said, it's going to take more time to answer some of
 14 the more specific questions. We can't answer them or
 15 ask even some of those questions right now because
 16 it's too preliminary. But we are going in the right
 17 direction.

18 MS. McPEAK: Bob?

19 MR. RAAB: Based on what you had to say,
 20 Sunne, somebody sitting out in the audience or even
 21 sitting right here, could get the idea that maybe
 22 you've almost defined what the preferred alternative
 23 should be.

24 MS. McPEAK: Which was?

25 MR. RAAB: Which is the one that requires

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1 the most certitude and the least cost, it meets the
 2 solution principles more surely, more comprehensively.
 3 And I'm thinking of 1A almost just sits out there
 4 saying, look at me, hey, I meet all the solution
 5 principles, at least pretty well, in some cases very
 6 well, and I'm cheap. And to come up with a preferred
 7 alternative by the end of this year that has projects
 8 for which we don't know the costs, suggests that
 9 maybe at the very best they should be phased in at
 10 some later date.

11 MS. McPEAK: Let me comment on that as a
 12 BDAC member and not as the chair because while I am
 13 totally comfortable with sort of the criteria that I
 14 laid out in the approach, I conclude that right now,
 15 with the information I have, that 1A doesn't meet all
 16 of that. And that, in fact, 1A is not -- does not
 17 reduce conflicts in the system, has redirected
 18 impact, is not equitable, and quite honestly, to be
 19 quite candid about it, isn't going to fly because as
 20 long as there are significant water needs in the
 21 State not met, I don't ever consider the Bay-Delta to
 22 be protected and the estuary will be under continual
 23 assault.

24 That's a very personal comment. I've not
 25 stepped out of the role of a chair, or vice chair,

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1 usually in this process, but I didn't want to leave
 2 the impression that I would include with my own
 3 criteria that 1A meets it. I think it's totally
 4 inadequate, let me put it that way.

5 So I think we could have agreement on
 6 principles and are still going to have a very active
 7 debate on what is a solution. And I'm obviously
 8 probably just ignorant and need to be better informed
 9 on your position and maybe we'd come to the same
 10 conclusion you have, but I wanted to lay out where I
 11 thought I was.

12 Now, let me step into a more appropriate
 13 role.

14 Who else has questions or comments?

15 Marcia, thank you.

16 MS. BROCKBANK: I was wondering, are we
 17 going to be -- I think maybe you did ask -- somebody
 18 asked this earlier but I'm not sure I heard correctly
 19 the answer to it. Will we be seeing what it is that
 20 the staff comes up with when they make up their minds
 21 on reducing these numbers of alternatives? Because
 22 from what I can see, there's lots of boxes here but I
 23 still think this is very subjective, and I would like
 24 to see how the staff arrives at those alternatives.
 25 Is that possible?

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1 MS. McPEAK: If they still are in the right
 2 mind when they finish.

3 MR. SNOW: The purpose of the July meeting
 4 that we have talked about would be to go through the
 5 details of the first step of the narrowing process,
 6 the use of the solution principles to apply to the 17
 7 and the results from that. So that's the purpose of
 8 that meeting.

9 The purpose of the, I think, meeting we have
 10 targeted for late August, early September, would be
 11 the second step where we have applied the program
 12 objectives and the impact assessment.

13 So those -- those are two very big steps,
 14 not just either for BDAC but also to get out to the
 15 public. I mean, you're really starting to get to
 16 some pretty critical issues at that point.

17 MS. BROCKBANK: This is the end of
 18 September?

19 MR. SNOW: I think it's more like early
 20 September for the second step.

21 MS. McPEAK: Okay.

22 Anything further questions or comments on
 23 the presentation that Ron has just done?

24 All right. I think we are -- we've actually
 25 concluded this item; is that not true?

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1 Yes, we have.

2 We were then going to go to a restoration
3 coordination program update.

4 Do you still want to do that, Lester?

5 MR. SNOW: That's -- leave it up to BDAC.

6 The reason that it may be important is that within
7 the next seven to ten days, we will be sending out
8 requests for proposals for projects to start
9 distributing some Prop 204 monies. The ecosystem
10 round table has been working diligently, meeting
11 almost on an every-two-weeks basis to kind of work
12 through this.

13 So I mean, it's kind of up to BDAC, but very
14 shortly we expect to have that out. And then within
15 a short period of time after that, we will be getting
16 millions of dollars' worth of proposals in to start
17 distributing Prop 204 monies.

18 And so if the BDAC desires, Kate could give
19 a quick overview of the basic criteria that we'll be
20 utilizing and kind of a sense of the process.

21 MS. McPEAK: Let's take it in -- we will be
22 patient but efficient in trying to go through this
23 item.

24 MS. HANSEL: Can you hear me?

25 MS. McPEAK: Yes.

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1 MS. HANSEL: I'm going to try to -- I was

2 asked to give an update. We've been spending a lot
3 of time on the RFP, as Lester said, although we
4 haven't left alone the coordination side of the
5 restoration coordination program.

6 The RFP will go out, we hope, May 30th. It
7 was originally targeted for May 19th. That was a
8 couple days ago. We're still working, and then it
9 has to go to the printer. So it's to come out soon.

10 Then the timing that works out after that is
11 that it's a six-week application period, so if you
12 move that forward it's like mid-July. So when we
13 come back in July to BDAC we should be able to give
14 you information on kind of what's the demand out
15 there in terms of the types of applications that are
16 coming in.

17 Then we will go through an evaluation
18 process and in August when we -- I guess late August
19 when BDAC meets again, we'll be able to give you the
20 staff recommendations of what -- how the proposals
21 have been ranked, what are we going to -- what's the
22 package look like, and then we would be asking BDAC
23 initial feedback on strengths and weaknesses of that
24 package.

25 So that's kind of a time line and the role

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1 of BDAC.

2 MS. McPEAK: Kate, let me -- I'm sorry, I
3 may have missed it. Did you say in August you're
4 going to give that back to BDAC?

5 MS. HANSEL: Right.

6 MS. McPEAK: As opposed to July 22nd?

7 MS. HANSEL: July, we'd be just getting the
8 proposals in July. So it's a six-week application
9 period, which is actually pretty short for some
10 people's standards, so I'm know now saying mid-July
11 is probably the due date.

12 I'm just going to give you some of the
13 highlights of what's in the RFP. We have some basic
14 minimum requirements here, basically to all proposals
15 must comply with all applicable relevant laws and
16 regulations. Funding will be available for proposals
17 to help with the permitting requirements for some of
18 the construction projects, so we are not expecting or
19 requiring that all this is lined up before a proposal
20 is comes in, but just that people know they are not
21 coming under the umbrella of the programmatic
22 EIR/EIS. These have to stand alone; these projects
23 stand alone.

24 The other criteria with the typo, not to
25 prejudice the CalFed long-term program. These also

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1 have to not restrict some of the alternatives that we
2 are evaluating, and then only involve willing
3 landowners and sellers. So in some cases there will
4 be land acquisition, they have to be -- there is no
5 condemnation. And then if there's just restoration
6 actions on private land, they have to be obviously
7 willing participants in all cases.

8 That's just some basic minimum requirements
9 that we are putting in all proposals.

10 Here's a summary of the eligible proposals,
11 we are including -- it's a pretty broad RFP. It's
12 not much that's not eligible for funding in this RFP,
13 which is going to make it a very large pool we are
14 drawing from.

15 Watershed management and planning --
16 watershed management planning and restoration, so the
17 planning side of the role will be eligible for
18 funding as well as the actions. If a plan has
19 already been put in place, the projects and actions
20 that are being pulled together on a watershed level.

21 From watershed groups, construction
22 projects, everything from the preplanning to the
23 construction stage is eligible. We will probably
24 only have contracts that last up to three years, so
25 people would have to come back to us for different

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1 phases of their projects.

2 Land acquisition through easement or full
3 fee.

4 And then the restoration side of things,
5 aquatic and terrestrial habitat restoration, so
6 instream and terrestrial.

7 Water quality components would be a lot of
8 the water quality as it relates to the benefits of
9 the habitat and ecosystem. There would be monitoring
10 included, monitoring assessment and reporting would
11 be eligible for funding.

12 The other category is operations and
13 maintenance has been brought up a lot in terms of it
14 would be a big gap if funding wasn't available for
15 some O&M, especially we're thinking of land
16 acquisition. There aren't as many agencies available
17 around that have ongoing O&M. So if they don't come
18 forward for land acquisition and taking things under
19 public ownership, if there's not some help in some
20 cases, so we are putting this in kind of an "other"
21 category.

22 And it might not even be eligible that the
23 Prop 204 funds are used, but this is a combined
24 funding source. It's 60 million -- up to 60 million
25 out of the Prop 204, Category 3, 10 million is

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1 expected from Metropolitan Water District as an
2 additional stakeholder contribution, and that might
3 be where we pull the O&M if legally we can't use the
4 O&M. But it would be through an endowment, so I
5 shouldn't say that up front. Only endowments would
6 be funded. We wouldn't be looking into ongoing
7 annual costs for the O&M.

8 Other things that come under "other" are
9 research. We want to provide the support into the
10 adaptive management cycle for the ERPP. There's a
11 lot of scientific uncertainty and we want to start
12 feeding into that and providing information into
13 that.

14 The other category is education. There are
15 some good projects out there that deal with
16 education. We want to say out of kind of the
17 classroom-type education projects, but if we can
18 change behavior to address some of the things that
19 are stressing the environment, then education would
20 be eligible also.

21 Some of the ranking criteria that we are
22 using, we have seven criteria. They're all equally
23 weighted, we are not weighting one more than the
24 other. So there will be like up to 70 points if we
25 do a zero to ten, is what we are planning, but some

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1 of these have to have some score. You can't even
2 come in the door -- you know, you'd get bumped out of
3 the process if you have zero biological benefit or
4 zero applicant ability.

5 But -- so we are looking at biological
6 benefits of the proposals in terms of the overall
7 Bay-Delta ecosystem and for the individual species
8 and habitats that they're addressing, the applicant's
9 ability -- some of these are pretty basic.

10 Technical feasibility has looked at all the
11 reasonable options and the timing of it.

12 Cost sharing and local involvement are not
13 absolute requirements but are encouraged.

14 Compatibility and benefits for nonecosystem
15 CalFed objectives. This is an ecosystem restoration
16 funding source, but we want to try to encourage as
17 much of the other components of the CalFed program
18 and so we have that in the criteria.

19 Cost effectiveness, how does this compare to
20 other proposals, similar proposals that have been
21 funded in the past.

22 And then the last one is monitoring,
23 assessment and reporting, and we want to make sure to
24 feed in into this adaptive management cycle that
25 there is a strong component there of funding

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1 available when needed to answer a lot of the
2 questions.

3 Go quickly into the -- what are some of the
4 steps that we are going to go through when we do
5 get -- after we get the applications in.

6 So six weeks later, the applications come
7 in. We are going to set up technical review panels.
8 These are going to be combined agency and stakeholder
9 review panels. They have to be, under State law, a
10 majority state agency. We expect that the panels
11 will be based on the subject matter so we wouldn't be
12 geographically based. A fish screen panel would be a
13 fish screen panel and habitat would be a habitat
14 panel, so they can really be comparing similar
15 proposals and ranking them.

16 After all that is done, we are creating an
17 integration panel that will also be a combined
18 stakeholder agency panel to help balance kind of,
19 okay, where are you getting the biggest biological
20 benefit from these different types of actions for the
21 overall Bay-Delta ecosystem, so would you want to put
22 more funding into this type of action versus another
23 type of category of actions.

24 So you're not going to just -- it's not
25 going to be equal funding and equal implementation

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1 and selection proposals on all stressors. That's
2 kind of all types of actions.
3 The two points for public input is through
4 the ecosystem round table and BDAC. The ecosystem
5 round table will meet in July and in August, and they
6 will be involved in seeing the package of proposals
7 that come in, not individual proposals, they are not
8 doing the ranking, but this kind of relative --
9 feedback on relative biological benefit that we are
10 getting for the Bay-Delta ecosystem.

11 And BDAC will be in that loop also in two
12 different points, seeing it in July and seeing it at
13 the end of August.

14 Then the final decision is by the CalFed
15 policy group that will be meeting at the end of
16 August.

17 So that's kind of the time line that we are
18 crunching under right now.

19 MS. McPEAK: Let's see if we can -- does
20 anyone have any questions to Kate, or comments?

21 Okay. Just -- it looks like as you've laid
22 out the process, the criteria, the time table, et
23 cetera, that it looks very good. I think there will
24 be a lot of -- the credibility of CalFed will be
25 judged going forward as to how these dollars get

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1 be able to show great results, not so much in terms
2 of numbers of fish initially in the short run, but
3 great results in terms of real consensus around
4 improvements in habitat and those -- improvements in
5 those areas where we know that we're losing fish
6 today such as fish screen.

7 MS. McPEAK: Richard?

8 MR. IZMIRIAN: At the last meeting I asked
9 if there was some overall vision that was going to go
10 out there to the applicants and I was told that that
11 was coming right along. I don't see it here.

12 I want to make sure that this is just not a
13 hodgepodge of projects but something that is
14 integrated and cohesive. By the waiting for the
15 applications to come to you and then try to put
16 together, is that an effective way to do it, or
17 should there be a plan that is put out there that,
18 okay, this is what we want to do?

19 MS. HANSEL: Well, I'm not sure what you
20 mean by the "vision." There are -- they've narrowed
21 the scope of where the priorities are going to be,
22 and I didn't do the last presentation so I'm not sure
23 what was put in front of you.

24 We have a list of priority species and
25 habitats for emphasizing ecosystem process, but there

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1 used, and therefore, it is possible in our RFP
2 process that people sit around trying to sort of
3 balance all of the competing interests and
4 applications. And I hope that the criteria will be
5 very stringently applied, that it needs to have the
6 maximum benefits for the environment, cost
7 effectiveness for maximum benefits in the integration
8 and meeting the rest of the, if you will, CalFed
9 objectives will be important.

10 So fairness should not be, i.e., that's the
11 tendency when people are sitting there, how many of
12 these applicants can we fund. It has to not rule the
13 day. It has to be how do we do the best with the
14 public's dollars as possible so that there is real
15 credibility and integrity with the CalFed/BDAC
16 process going forward.

17 Steve.

18 MR. HALL: I couldn't agree more, Sunne. In
19 fact, I could tell you, assuming we get some federal
20 money this year, our ability to get federal money in
21 the out years will depend very heavily on how well we
22 can demonstrate we are running this program this
23 year.

24 So, I mean, I think you've set up a process
25 that's very sound and we follow it, I think we will

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1 is no -- we went through a process to try to identify
2 where should we emphasize funding by type of
3 restoration, action and stressor. Is it water
4 quality that's causing some great stress, or is it
5 lack of habitat, or flood plain. And it was decided
6 to not narrow the field at this point and that we
7 would do it through the ranking process.

8 So, again, all those types of proposals are
9 eligible and it's through the ranking and review
10 process that will determine kind of how much funding
11 in those different types of stressors and factors
12 would get addressed.

13 So I don't know if that answers your vision
14 statement.

15 MR. IZMIRIAN: It does, thank you.

16 MS. McPEAK: I share -- I somewhat share the
17 concern that Richard has raised and I'm wondering if
18 the ERPP is not intended to be what the function of a
19 vision statement would be, at least --

20 MS. HANSEL: Right.

21 MS. McPEAK: -- I had hoped the process
22 would work that way since we've just spent a lot of
23 time doing it.

24 The ecosystem restoration plan wasn't
25 specifically in the criteria. I mean, it was in, you

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 1 know, ecosystem restoration benefits, or whatever. I
 2 hope that when the RFP goes out, and I have some
 3 familiarity with these processes that, in fact, that
 4 if there is -- if it's a one-step process, that is,
 5 an announcement in the RFPs or given to people as
 6 opposed to qualifications and then you return it, at
 7 some point everyone should be given the ERPP as well
 8 as all the background data so you know how to come as
 9 close as possible to this vision and these objectives
 10 and that that should try to drive them.

11 MS. HANSEL: This has been our problem, is
 12 that the timing -- the funding came in for early
 13 implementation for ecosystem and the ERPP hasn't been
 14 written and finalized. And certainly what we are
 15 doing closely at a staff level is working with Dick
 16 and Terry and the ERPP program and they are reviewing
 17 the RFP. But we thought it was inappropriate to put
 18 in the RFP that it needs to be consistent with the
 19 ERPP because then the applicants all need a copy of
 20 the ERPP which is not out on the street yet.

21 And so we are ahead of the process,
 22 unfortunately, on this round. Next round it would be
 23 a condition much more explicit. So maybe there is
 24 some way that we can tie it to the ERPP, although the
 25 draft -- I mean, it's tied in, the criteria, the

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 1 review and ranking, but you see our timing is a
 2 little off.

3 MS. McPEAK: I understand the problem, Kate.
 4 I think there is a way maybe to handle it.

5 Lester?

6 MR. SNOW: I think we can generally describe
 7 the ERPP, but I guess the other point I wanted to
 8 make on this round is that we have kind of
 9 structured this first round to get maximum proposals
 10 in. And the reason for that is we wanted to generate
 11 an inventory of creative ideas on how to address the
 12 ecosystem problems.

13 Another approach, and I think it's what
 14 Richard is getting at, is to be very specific on in
 15 this round we are only going to address brackish
 16 water, tidal wetlands. And we could have taken that
 17 approach.

18 What we were convinced of, both as a result
 19 of talking back in Washington to Congress but also
 20 more locally, is that we need to probe out there to
 21 see what kind of creative ideas people have at the
 22 grass-roots level. And we've identified this first
 23 round to get kind of the maximum number of proposals
 24 in, so we are allowing conceptual proposals in
 25 addition to detailed proposals.

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 1 So our hope would be that from this first
 2 round we may get \$200,000,000 worth of requests, and
 3 that gives us an inventory to start working from, who
 4 has ideas, who is willing to pursue certain projects.
 5 Then that helps us then structure the subsequent
 6 rounds of funding in which we hope to have additional
 7 federal money at that point. And for the next rounds
 8 we will have a completed ERPP.

9 MS. McPEAK: Yes.
 10 Judith.

11 MS. REDMOND: Can you describe that
 12 difference, I heard you before, between the
 13 conceptual proposals and the detailed proposals, that
 14 opportunity?

15 MS. HANSEL: What it's come down to is --
 16 and now the new term is the inquiry submittal, but
 17 it's basically the cover sheet of the RFP. That's
 18 the -- kind of the summary. It can come -- be pulled
 19 off and be just the only thing that an applicant
 20 sends in if they are at the point where they don't
 21 have a lot of staff and consulting staff and they
 22 want to get a feedback on whether the idea is in the
 23 realm.

24 And so they won't be eligible for funding in
 25 this cycle, but they would be referred to the next

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 1 cycle. They'd have to come in with a full proposal
 2 for the next cycle which would be RFPs going out in
 3 November and decisions in January. So timing is
 4 pretty quickly, it's not they are losing out on a
 5 whole year.

6 So it's to help with people that --
 7 especially we're trying to target watershed and
 8 grass-roots groups, that wanted some feedback from
 9 us. We can't do a lot of feedback once the RFP goes
 10 out, kind of much tighter lipped in terms of
 11 involvement. So that's what it is.

12 MS. McPEAK: Any further questions to Kate,
 13 or comments?

14 All right, thank you.

15 And with all due apologies to Judy, we're
 16 going to not -- oh, we are not going to -- I'm not
 17 planning to take the item on the public involvement
 18 update but just go to public comment.

19 Hap?

20 MR. SNOW: Are we also not doing the finance
 21 work group report?

22 MS. McPEAK: Eric, I guess, earlier told
 23 Mike that you will continue it to the next time is
 24 what I'm understanding.

25 MR. HASSELTINE: We'll have a lot more to

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1 present by next time.

2 MS. McPEAK: But I do want to thank the
3 hearty souls in the audience and those with great
4 conviction sitting around this table who have stuck
5 it out. So let me ask if there is any further public
6 comment today from members of the audience.

7 I see no one coming forward.

8 Then is there anything else from the members
9 of BDAC?

10 I'm understanding, Lester, the next meeting
11 has been set for Tuesday, July 22nd. Is that still
12 the case?

13 MR. SNOW: That's correct.

14 MS. McPEAK: And before Mike left, he
15 thought maybe we needed to consider another meeting
16 in August, and you were going to poll people because
17 that may be difficult in availability, but trying to
18 not have a backup of the process any further than we
19 are. And we would expect in July, then, to try to
20 use some of the approaches and format at getting more
21 discussion and dialogue that we discussed at the
22 beginning of this meeting.

23 So we will be working with Lester and
24 calling upon the members of the work groups to help
25 us with that.

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1 Have a safe trip home. Thank you very much.

2 We are hereby adjourned.

3 (The proceedings concluded at 4:27 p.m.)

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