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IN RE THE MEETING OF THE)
BAY-DELTA OVERSIGHT COUNCIL)
_____)

TRANSCRIPT OF PROCEEDINGS

Sacramento Convention Center
1416 9th Street - Suite 1155
Sacramento, California, 95814

TUESDAY, JULY 22, 1997

Reporter By :Katherine L. Cardozo, CSR No. 6344

PORTALE & ASSOCIATES DEPOSITION REPORTERS

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APPEARANCES:

CHAIRMAN: Lester Snow

VICE CHAIR: Sunne McPeak

COUNCIL MEMBERS:

- Robert Meacher - Regional Council of Rural Counties
- Tib Belza - Northern California Water Association
- Eric Hasseltine - Contra Costa Council
- Steve Hall - Association of California Water Agencies
- Rosemary Kamei - Santa Clara Valley Water District
- Tom Maddock - California Chamber of Commerce
- Tom Graff - Environmental Defense Fund
- Hap Dunning - The Bay Institute
- Stuart Pyle - Kern County Water Agency
- David Guy - California Farm Bureau Federation
- Roberta Borgonovo - League of Women Voters of California
- Marcia Brockbank - San Francisco Estuary Project
- Richard Izmirian - California Sportfishing Protection Alliance
- Mary Selkirk - East Bay Municipal Utility District
- Roger Patterson - Bureau of Reclamation
- Roger Thomas - Golden Gate Fishermen's Association
- Pietro Parravano - Pacific Coast Federation of Fishermen's Association
- Roger Strelow - Dames and Moore
- Jack Foley - Metropolitan Water District of Southern California
- Alex Hildebrand - South Delta Water Agency
- Roger Fontes - Northern California Power Agency
- Mike Stearns - San Luis Delta Mendota Water Authority
- Marcia Sablan - City of Firebaugh
- Howard Frick - Friant Water Authority/Arvin Edison Water Supply District
- Jim Branham - The Resources Agency

1 (All parties present, the following proceedings were had
2 at 11:00 a.m.)

3 --o0o--

4 MS. McPEAK: We will come back to that.
5 And because we are being asked for a preliminary
6 indication, and I think there's likely to be some
7 reservation or concern about coming to that conclusion
8 without some further consideration of other aspects of
9 these facilities. But let's see how far we can did go.
10 Marcia followed by Roberta followed by Richard. Marcia.

11 MS. BROCKBANK: Under safety issues, are
12 you looking at seismic safety issues at all or costs or
13 impacts? And secondly, did you look at water evaporation
14 in a canal, cost for water, that sort of thing, or will
15 we be looking at that.

16 And under future capacity increase, are we
17 assuming then that that is going to be a plus, that
18 something we want?

19 MS. McPEAK: Ron, and then -- do you want
20 to comment on this?

21 MR. OTT: Yes. On the seismic safety,
22 that's figured into the cost for what it would take to
23 design in that seismic area. Water evaporation, there's
24 a lot of issues like that like this one. We're using
25 kind of a net loss of one acre foot per acre of surface

1 water area. And all the way through this. You're
2 talking somewhere 2 to 3,000 acre foot a year of loss for
3 the exposed surface water that you'd have in that area.

4 MS. McPEAK: So on the seismic safety,
5 you're designing to the same standard on either a
6 pipeline or a canal?

7 MR. OTT: Correct. In the prefeasibility
8 cost.

9 MS. McPEAK: What standard is that you're
10 designing to?

11 MR. OTT: I don't know. Stan, do you know
12 what standard we're using for --

13 MS. McPEAK: 78872?

14 MR. OTT: On seismic for a pipeline going
15 around the delta?

16 STAN: No, I can't answer that.

17 MR. OTT: We'd have to go back to out
18 detailed designers. I don't know the answer to that. We
19 could look it up.

20 MS. McPEAK: Roberta.

21 MS. BORGONOVO: My question is similar to
22 Marcia's and that is, are we assuming that future
23 capacity increase is a plus? It really is one of the
24 discussions that has taken place for -- I assume will
25 take place in the assurances although that's not an issue

1 that I have been following.
2 But that assumption that there will be
3 future capacity increases is of great concern in the
4 environmental community, as you know. So going back to
5 Mary's point, just to evaluate strictly on the basis of
6 cost, I can see the logic of it, it's very logical to say
7 we won't do the same thing, but of course you would take
8 out the most expensive option. But I think that there is
9 a lot more discussion before I feel I can answer the
10 question yes, this is the right way to go.

11 Going back to the cost principles, I think
12 that Eric will report later, but we've still been working
13 through the whole principles of cost in the way that we
14 allocate it. And that's not set firmly enough for us to
15 even say that they'll be applied in these alternatives.

16 MS. McPEAK: Right. We're going have some
17 further discussion on the finance committee report and
18 principles to date. Richard.

19 MR. IZMIRIAN: I think part of our problem
20 is simply trying to understand what is coarse screen and
21 what is fine screen on this and whether if something is
22 coarse screened out whether it's really going to be --
23 whether it precludes some other opportunities there.

24 It also forces us to prioritize some of
25 those characteristics and depending on where you want to
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1 coarse screen could be different for each pair of
2 alternatives that you're evaluating?

3 MR. OTT: No, it's the same criteria that
4 we go through it with. Once we eliminate them in the
5 coarse screen we don't bring them back in the fine
6 screen.

7 MS. McPEAK: We're going to come back and
8 figure out process because you can sense there is
9 hesitation. Let me get next Alex and then Tom and then
10 Rosemary.

11 MR. HILDEBRAND: I concur in some of the
12 comments we just heard, but including the idea that this
13 has to be a little bit of an interim process because you
14 don't have enough concerns shown here, and I concur with
15 those who believe that you shouldn't just decide that the
16 ability to enlarge a canal rather than a pipeline is an
17 asset.

18 There are other things here. For example,
19 in the old peripheral canal design which also had a
20 ten-foot lift, it didn't siphon under minor screens, and
21 I don't know if this one does or not, and one consequence
22 of that was that it was going to increase flood depth on
23 the southeast side of the canal alignment, and during the
24 major rain floods, and this is a very serious problem, an
25 Ronald Robie just said, "If that happens we'll rent some
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1 go with it, you're going to be prioritizing your
2 characteristics differently.

3 I looked at the list and I saw those other
4 categories at the very end thinking that those should be
5 the coarse screens, the primary things that should be
6 looked at. I'm just -- the coarse screen/fine screen
7 sounds like a very good metaphor for this, but I'm
8 wondering if we really should be looking at is a more
9 interim process where we keep revisiting these things
10 over and over again in different formats until we come up
11 with a more optimal solution.

12 MR. OTT: It's a good point. In the phase
13 two, we'll certainly go on to the ones, if we don't
14 screen them now we have to take them all forward in the
15 phase two which means a lot of time effort and money to
16 analyze these all in detail in the time frame that we
17 have.

18 So what we're trying to do is eliminate
19 those that if you looked at all the other differences,
20 other considerations that you have, and the difference in
21 cost, is it enough that you would say let's not carry it
22 forward because we have several other alternatives that
23 do exactly the same type of thing but may have just
24 different levels of impact.

25 MR. IZMIRIAN: Are you saying that the
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1 diesel pumps and come down and pump you out." That
2 wasn't a very satisfactory response.

3 Also, there's a problem of the seepage.
4 Now there are technical solutions to seepage which will
5 probably work, but we don't know for sure. But we don't
6 know whether you've got that cost in here for the canal.
7 And neither do we know how you're going to assure that
8 those measures would actually be adopted.

9 As everybody knows, you can't trust the
10 government. You know, they built the DMC and said they
11 won't implement it until they put in a valley drain.
12 Well, we still have no valley drain. Similarly, you may
13 say you're going to put in all these interception wells
14 to control the seepage, but how do we know it's going to
15 happen.

16 So there's some real risks here, and I
17 think that they have to be addressed. Maybe you'll
18 address some of them and you can satisfy the BDAC that
19 you have, but I think we have to know more about the
20 considerations, what you thought was feasible and not
21 feasible and how important it would be if they weren't
22 carried out.

23 So I'm -- while I don't like either one of
24 these alternatives, I think to make a fair comparison
25 between them we have to know more than just that one
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1 costs more than the other.
 2 MS. McPEAK: Lester, wants to comment on
 3 this and then I'll pick up on questions.
 4 MR. SNOW: Two points I want to make about
 5 this process. First, the future capacity increase is not
 6 put up there as a beneficial attribute, it's just a fact
 7 that we picked up. That's a judgment that you can make.
 8 And we know that there's both sides of that. But all we
 9 want to do is indicate that in terms of that as an issue,
 10 both of these are difficult to do. You don't design a
 11 project in mind, this kind of project in mind with
 12 expansion. And one ends up being more difficult than the
 13 other. That's all we wanted to indicate. So there's no
 14 valuing done to that.
 15 Kind of back to the basic issue of the
 16 course screening, our main objective here is to see if
 17 there's a way to reduce the seventeen. We're trying to
 18 get a smaller number of alternatives to start generating
 19 the detailed information such as the distinguishing
 20 characteristics.
 21 The more that we have as we move into that
 22 phase, the more difficult it is analytically, but also to
 23 evaluate because you have so much data floating around.
 24 So we're looking for those that are at a programmatic
 25 level, I have to stress that, kind of functionally

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1 There's no question it is easier, even though they're
 2 both very expensive, they are both very touch
 3 environmentally to do, it would be constructively easier
 4 to expand the canal than it would be to bury another
 5 pipeline.
 6 So they are both very difficult. What
 7 you're saying, Tom, is it may be worthwhile to know how
 8 difficult, what is the difficulty difference between
 9 those two ways of going.
 10 MR. GRAFF: It does say it would be much
 11 easier to increase the capacity of the canal at some
 12 future date than to increase the capacity of the
 13 pipeline. You're saying that was somewhat of a
 14 misstatement.
 15 MR. OTT: Compared to each other, right.
 16 The absolute value is they both are very difficult to do.
 17 One's just easier to do than the other. Even though they
 18 are both very expensive to expand.
 19 MS. McPEAK: Tell me, remind us is the
 20 open canal unlined?
 21 MR. OTT: Yes.
 22 MS. McPEAK: Rosemary.
 23 MS. KAMEI: As we are looking at these
 24 considerations, is this sort of an exhaustive list of the
 25 things you look at? Because I think I agree with Alex

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1 equivalent, and make a determination that carrying one
 2 forward captures the issue or captures the basic approach
 3 and no need the carry the other with it. That's kind of
 4 the problem that we're trying to solve in this.
 5 MS. McPEAK: Tom.
 6 MR. GRAFF: Maybe it will strike Lester as
 7 bad news, but my answer is no. I don't think that this
 8 allows you to reject pipeline. I think it's silly to say
 9 that it does. Because it all hinges on one very short
 10 sentence. It says the second trade-off which is that
 11 it's much easier to expand an open canal than a pipeline,
 12 says here can be minimized by a good assurance package
 13 for the operation of the facility.
 14 There's absolutely no analysis of that,
 15 and from the point of view of these who are fearful of
 16 any dual conveyance, the one thing that might possibly
 17 assure them is you can't easily physically change it.
 18 So a physical assurance may actually do
 19 the job when, you know, the best possible thinking coming
 20 out of Hap's committee might not. At this point we don't
 21 have any idea which is better. Is it a billion dollars
 22 or 12 billion 2 better or not? How do we know? My
 23 answer is no.
 24 MR. OTT: On that issue, to clarify what
 25 Lester said, it would be expensive to go either way.

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1 that there needs to be some explanation as to the
 2 trade-offs and how you're weighing them. Is it high,
 3 medium, low? Does it get closer to what you want to
 4 achieve?
 5 And my other comment is on the cost
 6 comparison, I just see energy and capital, and I'm
 7 wondering in terms of long-term maintenance costs what
 8 are some of the environmental costs. Those are costs
 9 that probably need to look at and maybe there -- you have
 10 looked at them, but as far as I can see the cost
 11 comparisons are incomplete.
 12 MS. McPEAK: The maintenance cost question
 13 you're identifying as another key item on comparison of
 14 long-term operational cost.
 15 MS. KAMEI: Correct.
 16 MS. McPEAK: Which sounds appropriate.
 17 MR. OTT: We haven't cranked in the
 18 long-term maintenance cost and backed it up and put it
 19 into the capital costs although it's equivalent. That
 20 will all be done and they are in the process of doing it
 21 now for any of the alternatives we carry forward into
 22 phase two. So we'll know the actual ultimate cost.
 23 Mitigation cost and all the alternatives
 24 I've shown you today we've assigned \$10,000 per acre of
 25 disturbed land for mitigation costs and that was just for

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1 the disturbance part. But no other costs have gone in.
 2 But that's substantial in some of these that you'll see.
 3 MS. McPEAK: Tom.
 4 MR. MADDOCK: One factor is here -- I mean
 5 I would be interested in I think we all ought to inquire
 6 about the ability of whatever's done to be modified
 7 because we've talked in length about adaptive management
 8 and the fact that whatever's done is very difficult to
 9 predict with finality that whatever is done is going to
 10 be the end of it.
 11 In fact, we've talked at length that we'll
 12 do some things and see what happens to it. So I mean
 13 from a common sense point of view, certainly one would
 14 want to say, well, we might want to conceivably modify
 15 whatever is done in the future to accommodate what we
 16 find in the future.
 17 And to me that would be an evaluation
 18 factor. Is it the final, a single factor, no. I mean
 19 it's just one of other ones. But I think that's
 20 something that we've talked about and needs to be
 21 factored in.
 22 MS. McPEAK: Roger.
 23 MR. THOMAS: Do your capital costs include
 24 costs for bridges and siphons and other appertenaces up
 25 and down the --

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1 MR. OTT: Yes, they do.
 2 MR. THOMAS: The second question is, the
 3 right of way for your buried pipeline, 500 feet, is
 4 that -- it seems like an awful wide strip of land for
 5 three buried pipelines. Is that common in the industry
 6 you need that much access?
 7 MS. McPEAK: Yes, it is. To prevent
 8 lateral intrusion.
 9 MR. OTT: I like my buried pipelines
 10 there. Basically, you have to have the working room when
 11 you remove this in the construction activity so when you
 12 put it back. Plus your maintenance roads on both sides,
 13 500 feet -- if you're going out through an urban area
 14 they do it different but they haul a lot of the dirt and
 15 put it in other places. Here we -- it's cheaper to just
 16 sidecast and pull it back as you go through the system.
 17 MS. McPEAK: Anymore questions right now
 18 on this aspect? Yes.
 19 MR. PARRAVANO: Is the constant for the
 20 mitigated land part of the capital cost for the canal?
 21 MR. OTT: Yes.
 22 MR. PARRAVANO: \$10,000 greater?
 23 MR. OTT: Yes. Just to compare it, if we
 24 have a comparison that's what we put in.
 25 MS. McPEAK: Steve.

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1 MR. HALL: I guess I have a more general
 2 or basic question. The staff asked BDAC a question.
 3 What I think I'm hearing back from some of the BDAC
 4 members is no. I think Tom said that more succinctly
 5 than the others. But I think it was the same general
 6 answer.
 7 And while I don't personally have the same
 8 concerns, I can appreciate the concerns that were
 9 expressed. I guess my question is what do we do now
 10 since the answer is no. Because you still have to get to
 11 Lester's goal of reducing this. This is not a manageable
 12 number. Maybe y'all just brought the wrong example. Or
 13 maybe you should have left off the valueless feature
 14 called future capacity increase. I don't know. But
 15 whatever the case, I don't see a clear path out of this.
 16 But I'm sure, Lester, you have one figured out.
 17 MR. SNOW: Why, yes, I do. My preference
 18 would be that we not do a yes or no on these individually
 19 and we go through each of them. I understand this issue
 20 that I think is driving this discussion about pipeline
 21 and open channel and the mixing of the assurance issue in
 22 there.
 23 I think you have to provide an assurance
 24 on either one of these. And the fact that it might be
 25 one-half of one percent is sort of easier because in one

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1 case it's going to cost more. That's an important issue.
 2 But I think there's some others that we want to go
 3 through that if the answer were no on all of them, it
 4 ends up being a significant expenditure perhaps on an
 5 alternative that everybody agrees has no chance
 6 whatsoever of moving forward. Like the chain of lakes.
 7 It's one we want to get to.
 8 So what my preference would be is to work
 9 through each of the five alternatives that we've targeted
 10 and then kind of ask your opinion about each of our
 11 recommendations to leave them behind at this stage.
 12 And one of the problems we will have
 13 throughout is the difference between project level and
 14 programmatic level. And we're trying to make a
 15 programmatic decision here.
 16 MS. McPEAK: We may also reach a point
 17 where we're not able to have consensus around an option
 18 or an alternative being dropped could stipulate to
 19 perhaps acknowledging there is a differential on one
 20 parameter or another and asking that additional factors
 21 be considered as Rosemary raised the one around
 22 maintenance costs being compared here. Perhaps we can
 23 accept that there may be some advantage on one option
 24 versus another but still need to keep both options
 25 present.

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1 So I think what Lester's asked is we go
 2 through and hear all the examples and then come back and
 3 discuss it. I'll get Tom in just a moment.
 4 I have a question just to refresh my
 5 memory. I asked about the open channel being unlined.
 6 My recollection from a decade and a half ago that this
 7 alignment on the 43 miles is basically on soil that might
 8 not be able to handle the weight of a lined facility, is
 9 that true?
 10 MR. OTT: That's been -- yes, they've --
 11 where the alignment of this is mostly around highly
 12 mineralized soils. There's only a short portion that
 13 starts coming down through unmineralized soils. That was
 14 factored in all the cost where you'd have -- you may have
 15 to go through sections that could be lined. That's the
 16 engineering details as we see it.
 17 MS. McPEAK: I think part of the question
 18 is the pipeline and open channel unlined and whether or
 19 not we should look at lining, part of that goes to the
 20 question that was being raised on seepage and I was
 21 trying to recall why it might not be lined and actually
 22 it's pretty hard to enlarge a lined canal. We've never
 23 done it in California. Major one. Tom and then Stu.
 24 MR. GRAFF: I guess I don't agree with
 25 what Lester just said. If -- and I don't understand our
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1 presentation, Tom?
 2 MR. GRAFF: I guess. I mean, I'll be here
 3 all day.
 4 MS. McPEAK: Okay. Let me get Stu. Then
 5 Roberta.
 6 MR. PYLE: My question has to do with kind
 7 of where we are in the process. I know Lester loves to
 8 deal with process. I don't think at this point in time
 9 we're here to make a decision between open canal or
 10 pipeline or no canal.
 11 It seems to me one of the considerations
 12 should be if you eliminate some of these alternatives or
 13 one alternative such as pipeline from the EIR, are you
 14 producing an EIR/EIS that will serve the purpose that
 15 will reflect and carry forward all of the work that has
 16 gone into this up to this point. Should some
 17 alternatives be preserved to contribute to the record
 18 established by the EIR?
 19 MS. McPEAK: Lester.
 20 MR. SNOW: Absolutely. All the analysis
 21 that we're doing and all the decisions that we would make
 22 have to be part of the record. Have to be justified.
 23 Really at this stage we're just taking the seventeen and
 24 seeing if we've got some functional equivalence that
 25 don't need to undergo kind of the rigorous modeling the
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1 function. Are we reviewing a process? Are we saying
 2 this council's supposed to say to the staff this is a
 3 good process or it's not a good process or are we
 4 supposed to be reviewing specific proposals here?
 5 MS. McPEAK: First it's the process
 6 that -- I think it's both as I understood the agenda.
 7 Step one is the process, step two is the conclusions
 8 reached from the application of step one, which would be
 9 the narrowing on choices. So it's both. You are not
 10 obligated to reach the conclusion the staff is
 11 recommending.
 12 MR. GRAFF: It's irrational. I mean we
 13 don't show up here again until September when there's a
 14 final document which will narrow the alternatives from
 15 seventeen to something like six or ten -- six to ten as
 16 we were just told. A, we don't really know what the
 17 process is except we know there's a fair amount of
 18 unhappiness with just the one example we've gotten into,
 19 and we certainly don't have all the analysis of the
 20 seventeen to six or ten. I don't see how we can say we
 21 can be supportive. I think the most we can say is:
 22 Staff, good luck.
 23 MS. McPEAK: Okay. Are you willing to
 24 come back and revisit the process and also their
 25 conclusions after we've heard the rest of the
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1 rest of them will.
 2 If at the conclusion of this -- I mean a
 3 hypothetical, at the conclusion of this agenda item BDAC
 4 ends up saying to us, "That, yeah, your process is sort
 5 of okay but there's really only three of those that you
 6 presented that makes sense to us." That's what we end up
 7 recommending to CalFed.
 8 We take that to CalFed and say, "Here's
 9 the process we went through. BDAC had these concerns.
 10 They don't agree" if that's the way it ends up today,
 11 "that pipeline should be eliminated at this phase."
 12 That's kind of the recommendation that we will make.
 13 And when we come back in September, we
 14 will bring back additional information. At that time
 15 we'll have more data to bring you and we will be into
 16 aspects of step two and maybe we'll have some lingering
 17 issues. Maybe at that point we'll still have some that
 18 we want to have dropped at that stage. But we defense
 19 definitely your input today so we can take it to CalFed.
 20 MS. McPEAK: Roberta.
 21 MS. BORGONOVO: I want to go back to the
 22 cost. I think it would be nice to see the analysis of
 23 how that cost was arrived at because that's very
 24 important. And that's true for all of these
 25 alternatives.
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1 So until we see that, it's very difficult
 2 for me to say yes, this screening process is all right.
 3 Because the way you've described the screening process,
 4 once you've eliminated, it's gone. So a decision will
 5 have been made. We will make decision today, yes, one of
 6 the options is gone or five of the options is gone.

7 MS. McPEAK: A decision that the process
 8 is not right is at least a decision. I think it's okay
 9 to have the comments that we're making and to come out
 10 and to suggest ways in which the process could be
 11 improved. I'm only saying that so nobody feels like they
 12 are being stamped into having to make the decision
 13 being recommended by staff.

14 I think a conclusion by us as to where we
 15 are with the process is important. So in order to inform
 16 that though, Lester's asked we here the rest of the
 17 presentation on these options. And if we could do that
 18 and get as much in as we can before we break for lunch,
 19 that would be helpful.

20 MR. OTT: Okay. Thanks. After reviewing
 21 the cost and what we thought the functional differences
 22 were not that great but they really could be it sounds
 23 like, in review, we looked at technical problems. We
 24 didn't see technical problems with either one that we
 25 compared.

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1 the way they are. That's difference.

2 MS. McPEAK: Okay, the next one.

3 MR. OTT: All right.

4 MS. McPEAK: Roberta.

5 MS. BORGONOVO: I'm slow this morning, I
 6 haven't had very much coffee. What's the difference
 7 between the one open channel and the other open channel?
 8 Is it storage or what?

9 MS. McPEAK: In this scenario it's
 10 storage.

11 MR. OTT: It's just storage was added to
 12 the first two we studied. But the conveyance, since
 13 we're focusing on the conveyance route alone, they are --
 14 the same analysis would apply to both of them. On the
 15 concerns you've --

16 MS. BORGONOVO: You're taking out 3-D and
 17 only looking at, correct?

18 MR. OTT: Our recommendation in this one
 19 would be given the same cost difference again, we would
 20 say eliminate the 3-D one, which is the -- 3-D one which
 21 is the pipeline and go with the open channel. And the
 22 same issues apply that were just brought up.

23 Let's look at it a little differently
 24 here. Alternative 3-F, chain of lakes. This alternative
 25 basically has a 10,000 cfs screen diversion right in the

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1 The question spot on the table today, is
 2 it functionally equivalent, and we're hearing maybe it
 3 isn't. Therefore, if it was functionally equivalent then
 4 we would say we pick the one if -- the one that had least
 5 cost if it was substantial.

6 And our recommendation to BDAC to consider
 7 since 3-C are identical except for the conveyance type
 8 and it's functionally equivalent, we addressed that, then
 9 we'd say would recommend we drop 3-C. That's the
 10 recommendation.

11 The next one is the 3-D, and we're going
 12 to compare that to 3-B. And I think we can skip through
 13 this pretty fast because it's the same issue. If you
 14 look at 3-D and 3-B, these alternatives are identical
 15 except one has a pipe line -- one of them has pine line,
 16 one has an open channel. So it's the same issue we just
 17 addressed.

18 So we can get through that one with any
 19 questions. They're the same issues we dealt with here.
 20 Cost difference is exactly the same. The open channel
 21 cost -- pipeline costs about three times what the open
 22 channel does. Same issues.

23 MS. McPEAK: With the same story.

24 MR. OTT: Same story all over again just
 25 that these two alternatives have storage in them. That's

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1 vicinity of the delta cross channel. It floods seven
 2 major islands and we siphon under the water bodies as we
 3 go through these islands down to Clifton Court.

4 The additional intakes we have are
 5 distributed screens around the edges of the islands to
 6 pump out of the adjacent channels so the total diversion
 7 that we would have would be 15,000 cfs that we can draw
 8 from this end to that end.

9 The total acre feet we have in these lakes
 10 is about 825,000 acre feet. However, the maximum amount
 11 of usable acre feet we have is around 200,000 acre feet.
 12 The reason why, these are very shallow lakes, the
 13 friction loss it takes to get from one end to the other,
 14 so when you draw it down here so the water will actually
 15 move through a 15,000 cfs, you only have operational
 16 flexibility of 175,000 acre feet.

17 We went through our process again of
 18 looking for technical difficulties. The first one we ran
 19 into on this is that to screen in the area of the Delta
 20 cross channel, which we talked to a lot of agency
 21 fisheries experts, and because this is in a heavy tidal
 22 influence area and it's right very close, or if not in
 23 Delta species prime habitat, we're recommending we move
 24 the intake out of here and move it up to hood because of
 25 those difficulties.

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1 So we would modify this alternative right
 2 away to get rid of the technical difficulties of the
 3 screening issues down around the Delta cross channel and
 4 move it up to Hood. So in essence what we would do with
 5 this alternative is change it so that now we're diverting
 6 out of the Hood up by Hood. Any questions with that?
 7 Yes.

8 MR. FONTES: That would be an open canal?
 9 MR. OTT: That would be an open canal,
 10 yes.

11 MS. McPEAK: Unlined open.
 12 MR. HILDEBRAND: What are you assuming is
 13 going to happen in these lakes you've got on these
 14 islands? Is it going to be pure open water or is it
 15 going to be covered with Hyacinth or what is it going to
 16 be? That will affect the amount of evaporation and
 17 whether it's good or bad for the environment.

18 And then again is this question of the
 19 seepage problem which you haven't mentioned. I don't
 20 know that this one would have quite the same potential
 21 for a flood problem, but you haven't mentioned that in
 22 any of these. So it seems to me there are other
 23 considerations you have to address to make us understand
 24 just what the concept really is.

25 MR. OTT: Those -- if this is carried
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1 MS. McPEAK: Mary.
 2 MS. SELKIRK: I know there's alternative
 3 that you'll be hearing here. What I'm not understanding
 4 is that with the assumption that there is a common
 5 ecosystem restoration program in place for all of these
 6 different alternatives, and that what we're really
 7 looking at now is conveyance as a way of distinguishing
 8 one alternative.

9 MR. OTT: That's correct. They all have
 10 the common programs in them.

11 MS. SELKIRK: Of course, my confusion from
 12 two months ago is resurfacing again. Because when I look
 13 at this alternative and also the other, 3-E, which I
 14 think you're going to present to us.

15 MR. OTT: Right.
 16 MS. SELKIRK: I still don't understand,
 17 don't have a clear understanding of the impact of this
 18 kind of alternative on delta restoration. It seems to me
 19 this is going to provide a certain -- a lot of a certain
 20 kind of habitat to the exclusion of others. Shallow
 21 water, you know Dick probably -- no. He's saying know.
 22 I don't know if anybody else has some confusion about
 23 that but that would be helpful to me in trying to
 24 understand this process in terms of why -- anyway I'll
 25 stop there.

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1 forward those are major issues, Alex, that would go with
 2 it. Right now we're just looking at the cost
 3 differential as opposed to the major function of the
 4 conveyance facility itself.

5 If we can carry through with that, so if
 6 we move the screens so we eliminated that technical
 7 difficulty, the next thing we said: How about these
 8 distributed screens? Right now we're trying to
 9 consolidate screening in the delta instead of just adding
 10 a lot more smaller distributing screens.

11 So when we move this up, we would increase
 12 this diversion here to 15,000 cfs and eliminate all the
 13 screening down in this area. So it would be an isolated
 14 facility basically from Hood through the chain of lakes
 15 and down to this area. Now the other --

16 MR. HILDEBRAND: Wouldn't bother me if you
 17 threw this one out.

18 MS. McPEAK: We're going to come back and
 19 see if there's any agreement on that Alex. But let Ron
 20 finish. Are you commenting on Alex's question and then
 21 we'll get Mary.

22 MS. SELKIRK: I have another question.
 23 MS. McPEAK: I know. I'm wondering have
 24 you finished concluding commenting on Alex question?
 25 MR. OTT: Yes, I believe so.

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1 MS. McPEAK: Lester.
 2 MR. SNOW: That's certainly an important
 3 question. One of the things I have to remind on the
 4 chain of lakes is this is an isolated facility. This is
 5 not a true delta. So once you divert into the lakes
 6 that's like the big forebay for the export pumps. So
 7 that you're really providing almost no habitat with this.
 8 And in fact one of the detractors of this alternative is
 9 you are taking out land for your isolated facility that
 10 now competes with land that you might want for habitat
 11 restoration.

12 There is a through-delta alternative that
 13 has wide channels and island flooding that provides
 14 habitat and immigration. This is a very large, wide
 15 isolated facility, so when you take out land in the
 16 central Delta you're getting no habitat value out of it
 17 because it's just a large canal.

18 MS. McPEAK: Thomas, Alex, please. Tom.
 19 MR. MADDOCK: You mentioned the same point
 20 that Mary's brought up, the alternative would achieve the
 21 same objectives. Let's take water quality. She talked
 22 about ecosystem, but take the water quality.
 23 I mean, you know, it's hard to believe
 24 that the water quality equivalence of this alternative
 25 say to some of the other ones you've shown is equal.

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1 Because you have this whole area that is running through
 2 these islands with Pete and THM's and everything else in
 3 there.
 4 Maybe if you put enough water in there you
 5 can do something with it, but I'm having a hard time at
 6 least on that particular point concluding that there is
 7 equivalence in terms of water quality at the export
 8 pumps. Maybe it is in the rest of the delta, but
 9 that's -- I think somebody needs to take a look at that
 10 one.
 11 MR. OTT: Good point.
 12 MS. McPEAK: Can someone comment on the
 13 water quality assumptions in these comparisons?
 14 MR. OTT: Could I hold that just for a
 15 second as we go down through the attributes of each one
 16 of the comparison alternatives and I'll address that
 17 issue, if I can.
 18 MS. McPEAK: Yes, you can. We just need
 19 to flag what raised as the question by Tom, which is
 20 water quality as a comparison point. Alex.
 21 MR. HILDEBRAND: I raise the question of
 22 the water supply. The evaporation from all of these
 23 lakes is going to be substantial as compared to farming
 24 the same amount of land and so you have to factor in the
 25 value of the cost of replacing that water with new yield.

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1 original question. How do you plug that in?
 2 MR. SNOW: I'm not sure I'm following
 3 because there would be very little -- I'll be happy to
 4 have Dick comment on it, but very little ecosystem
 5 benefits from these flooded islands. There would be some
 6 incidental benefits. But you're screening the fish to
 7 keep them out, you're not wanting certain types of plants
 8 to grow in there because of water quality benefits -- or
 9 impacts. Dick.
 10 DICK: Basically the depth and operation
 11 of these facilities would preclude any vegetation
 12 emerging up high enough so that the typical wetland
 13 dependent bird could get at it. Picture Clifton Court.
 14 MR. HALL: Talking shoreline stuff
 15 basically.
 16 DICK: A little bit of shoreline stuff,
 17 but these shorelines would have to pretty heavily armored
 18 in order to maintain the integrity of the levees. The
 19 way we're looking at it would be loafing habitat for
 20 waterfowl if the wind and waves weren't too bad. Frankly
 21 that may not be --
 22 MR. HALL: Later go on and feed on Alex's
 23 fields.
 24 DICK: Then they can go feed on Alex's
 25 field and the duck clubs would go out of business. There

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1 That would be a very substantial figure.
 2 MS. McPEAK: Steve followed by Howard.
 3 MR. HALL: Mine is sort of a follow-up to
 4 Mary's. At least I think it is. In that they are -- all
 5 the alternatives will have an ecosystem restoration
 6 element that's common to all of them. Then they'll each
 7 have their own respective environmental benefits and
 8 impacts. How are you going to fold all that stuff
 9 together so that we have a good sense for the net
 10 environmental benefit from each alternative relative to
 11 one another? That's I think somehow related to Mary's
 12 question.
 13 I was a little confused, Lester. Is this
 14 not a large wetlands or are you simply not counting it as
 15 habitat because it is wetlands instead of say it's
 16 shallow habitat?
 17 MS. McPEAK: It is not a wetlands.
 18 MR. SNOW: It is not a wetlands. You
 19 might get wildlife -- waterfowl benefits because they
 20 will land on that, but you do not want fish to get in
 21 there. So you're getting no shallow water habitat
 22 benefits.
 23 MR. HALL: There is an environmental
 24 enhancement element of that in wetlands loosely defined,
 25 but it is not fisheries habitat. So that gets back to my

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1 would be opportunity conceivably for vegetation on the
 2 levees. In all probability these levees would be
 3 considerably larger than the typical Delta levee.
 4 However, I don't think it would be increase the
 5 opportunities for water side berm habitat which is sort
 6 of independent of how beefy the levee is.
 7 MR. HALL: I'll be happy to stipulate that
 8 this is a lousy example because it's not a very popular
 9 alternative, but I still have the question, basic
 10 question, how do you plug in the environmental benefits
 11 and costs of each alternative together with the common
 12 ecosystem restoration program. I'm not sure you got to
 13 answer that question today, but at some point we got to
 14 figure that out.
 15 MS. McPEAK: It is not -- it's a narrative
 16 process and not necessarily easy. Part of what is
 17 intended to inform about assessment or that evaluation is
 18 the analysis that will be done with the EIR/EIS.
 19 MR. HALL: Okay. I can see that.
 20 MS. McPEAK: To plug that in to is to get
 21 information from the environmental analysis that will go
 22 on with the EIR/EIS and I think what Lester's asking is
 23 can we narrow down the scope of that analysis in order to
 24 have higher quality evaluation to inform us as opposed to
 25 quantity. There is some constraint on it, time and

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1 resources.
 2 MR. HALL: I agree conceptually you got to
 3 narrow the field and I can see an EIR doing that. I
 4 guess I wanted assurance it would be done.
 5 MS. McPEAK: Right. And then we've all
 6 got to come to conclusions with the benefit of the full
 7 input from the public and our own about best judgment and
 8 make a recommendation. Howard.
 9 MR. FRICK: Can you effectively screen
 10 15,000 cfs?
 11 MR. OTT: The experts we got together from
 12 all the agencies says yes, we can.
 13 MS. McPEAK: Where --
 14 MR. OTT: For a certain species.
 15 Basically anatomous fish, yes.
 16 MS. McPEAK: Where is an effective
 17 operative fish screen at 15,000 cfs?
 18 MR. OTT: The biggest one we have for a
 19 full exclusion of the country is 3,000 cfs and we build
 20 those in bays so we have multiple screens at 3,000 cfs.
 21 So the technology would apply, but it would be in cookie
 22 cutters so that we could operate them one or multiple.
 23 To give you some kind of idea what that
 24 looks like because it's more it will work into the next
 25 slide here --
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1 have representatives from the northwest, Oregon,
 2 Washington, basically from all the places where they
 3 actually have done detailed screening like this for
 4 years.
 5 MS. McPEAK: I think in a previous
 6 discussion, in fact the May 22nd one, we got into a
 7 dialogue around exactly this point. And because of the
 8 limitations on operations of fish screens as we know them
 9 even with successive, maybe 3- -- screen at 3,000 level,
 10 that one of the answers given back to us was well, we'll
 11 have multiple intakes. In order to have additive effect
 12 of 15,000 cfs, you go with three 5,000 or five 3,000, but
 13 not the successive at a 15,000 cfs intake. That's not
 14 here. Is that somewhere in this analysis?
 15 MR. OTT: When we go to the detailed
 16 analysis of actually what the approachways to each one of
 17 these would look like, they'd go through a detailed
 18 design.
 19 Now we're saying we've done a lot of two
 20 dimensional models of this area and we're saying we can
 21 shut these off and operate just like we had multiple and
 22 total intakes. What you're talking about here is that
 23 you're saying we'd have a channel clear out to the thing
 24 on each one. We'd look at those options, right. But for
 25 now costwise is what we've gone with here.
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1 MS. McPEAK: This is an example of a
 2 really good question, it's asking for a pretty good clue
 3 that we may want to do some more evaluation here.
 4 MR. OTT: See, each one these bays, we
 5 have five bays listed there, each one of these bays, yes
 6 there's screens operating in the northwest of that type
 7 of screen that's been very successful and operating in
 8 3,000 cfs. What we would do is build off that experience
 9 and put multiple bays in.
 10 MR. HALL: You can screen fish and you
 11 can't screen eggs.
 12 MR. OTT: Can't screen -- pardon?
 13 MR. HALL: Can't screen eggs.
 14 MR. OTT: Eggs and larvae, no. That's why
 15 I said we'll only be able to screen smelts, downstream
 16 smelts.
 17 MS. BORGONOVO: When you said you have
 18 successful 3,000 cfs screens, is there a model for
 19 putting in the sequence that you propose?
 20 MR. OTT: Not at this scale. There's
 21 been -- we've put them in that type of thing under
 22 smaller thousand cfs ones up to three. We've used other
 23 types of screens and bays like this, repetitive bays that
 24 work very well up in the northwest.
 25 The screening committee that got together
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1 MS. McPEAK: I can understand that. It
 2 intuitively seems to me that there is really truly
 3 different physical modeling on the succession of screens
 4 for a intake that is sized at 15,000 cfs versus three
 5 intakes, for example, at 5,000 with screens that we think
 6 are at a level more realistic.
 7 So I think that kind of an aspect of it
 8 needs to be thought through well in the analysis. This
 9 is the kind of thing we've had a lot of political battles
 10 on. Alex.
 11 MR. HILDEBRAND: The return conduits, are
 12 these gravity flow pipelines or are they just going
 13 through the levee into a knew bay there? I'm not clear
 14 what's happening there.
 15 MR. OTT: What that is, Alex, we have to
 16 have fish pumps to raise the level so we get enough
 17 hydraulic head to gravity feed them out to the --
 18 MR. HILDEBRAND: Then they go through
 19 pipelines then all the way out back to the Sacramento
 20 River.
 21 MR. OTT: Correct.
 22 MR. HILDEBRAND: It looks as though you
 23 had an end to the levee there somewhere.
 24 MR. OTT: I'm sorry. Yeah. This is the
 25 basic problem with Clifton Court, the water reverses flow
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1 in here. So you can actually put the fish out and have
 2 them come back in front of the screen that's recycling so
 3 that's why we moved away -- not Clifton Court, excuse me,
 4 the delta cross channel. That's why we moved --
 5 MR. FONTES: There's no break in that
 6 Sacramento river levee on --
 7 MR. OTT: This is all pine lines over
 8 here.
 9 MR. HILDEBRAND: All pipelines.
 10 MR. OTT: That's just drawn differently.
 11 MR. HILDEBRAND: I see.
 12 MS. McPEAK: We're going to go through
 13 finishing the narrowing process and the detailed
 14 evaluation in here, at least two individuals have signed
 15 up for the public before we brake for lunch. Continue
 16 Ron.
 17 MR. OTT: We've discussed it, we moved
 18 both for the two alternatives that we want to compare
 19 against 3-E and 3-F. We have -- both now have 15,000 cfs
 20 screen diversion with state of art technology, or best
 21 available technology.
 22 The difference in the two alternatives is
 23 this is a total impacted area of 37,000 acre -- 37,000
 24 acres. We can accomplish the same operational policy by
 25 putting in and comparing it to 3-E, diversion point the

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1 On the 3-E one, the isolated facility is
 2 truly isolated down the Clifton Court, and that's
 3 isolated or could be mingled with the storage that you
 4 would have down in here so you have the option if you
 5 were getting some high level TOC problems here, you could
 6 co-mingle it if you wanted to with the water or use that
 7 water for different purposes. You have the operational
 8 flexibility either to draw it of the storage or draw
 9 around the isolated or blend. This one you don't.
 10 You're just pulling it right across there. So that's the
 11 major difference between the two. Does that answer your
 12 question, Tom?
 13 MR. MADDOX: They are not comparable.
 14 Water quality.
 15 MR. OTT: They are not comparable.
 16 Once -- okay. Crosswise if you look at the two --
 17 MS. McPEAK: Let me get a question from
 18 Alex and then I want to make a comment about why I was
 19 asking the assumptions on water quality.
 20 MR. HILDEBRAND: It seems to me we are
 21 getting into a different problem here. And that is that
 22 the amount of storage provided in different alternatives
 23 varies, and in this particular example you have in delta
 24 200,000 acre feet in delta storage in one of them and not
 25 in the other.

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1 same, isolated facility 15,000 cfs so we have a
 2 conveyance the same, and if we go next to Clifton Court
 3 itself, we can actually get the same amount of available
 4 storage to us out of that big of area which is about
 5 13,000 acres.
 6 So the total acreage of this impact here
 7 is about 18,000 acres versus 37,000 acres that we have
 8 over here.
 9 So that deals with the impacted area.
 10 Some of the questions Tom brought up and Alex. Net
 11 evaporation loss would be about half. To do this, Alex,
 12 we said any time we're in the central delta we're saying
 13 we have a net loss over what we uses of about a foot more
 14 for free surface. I think that's very conservative.
 15 It's probably greater than that, but we're just using
 16 that as a starting point.
 17 We're saying between 3-F and 3-E we'd lose
 18 by surface evaporation from the lakes twice as much on
 19 one than you would the other. That's substantial. It
 20 could be around 36,000 acre feet at most.
 21 To address Tom's problems, on TOCs that he
 22 brought up, is that in this area we have no choice. We'd
 23 either have -- if we were getting those problems, we'd
 24 either have to seal it or haul out the area that was
 25 causing the water quality problem.

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1 So the one that has the storage has less
 2 evaporation than one that doesn't have the storage. So I
 3 think you need to begin by picking out all the storage
 4 options that could be used with any one of these
 5 alternatives and having those as common programs. So
 6 that you don't confuse the question of the cost or water
 7 supply from one to another by an arbitrary selection as
 8 to which ones have storage facility and which don't.
 9 I didn't say there may not been some
 10 legitimate differences, but I think most of the common
 11 storage facilities, or most of the storage facilities
 12 could be common to all of these. And they should be
 13 pulled out as in potentially common items in their own
 14 right so we don't mix up apples and oranges here.
 15 MR. OTT: I agree with you completely
 16 Alex. The only reason we compared the functional of the
 17 conveyance system here, added storage in it in its actual
 18 conveyance. In 3-E there is 200,000 acre foot of indelta
 19 storage in that alternative so we equate it the indelta
 20 storage plus the isolated facility together so that we
 21 could make it functionally equivalent. That's the only
 22 time we reference storage in this analysis.
 23 MR. HILDEBRAND: Well, if you're looking
 24 at storage rather than water supply then because you've
 25 agreed that the chain of lakes is going to evaporate a

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1 lot more water and yet you don't make any provision for
 2 supplying that extra water. And then I you take a case
 3 which evaporates less water and you provide some storage.
 4 It's not -- it's apples and oranges.
 5 MR. OTT: I see what you're saying. What
 6 we're just trying to is bring the major differences. And
 7 in this case if we get in a chain of lakes, the cost is
 8 quite a bit more expensive for the chain of lakes than
 9 the IF with its indelta storage which --
 10 MR. HILDEBRAND: It would be worse if you
 11 put equivalent storages into both of them.
 12 MR. OTT: Correct. So our recommendation
 13 here was that given it had technical problems, we fixed
 14 those by matching, moving the diversion point and
 15 actually scaling down the amount of impacted land. We're
 16 saying that is the cost difference between the two. So
 17 our recommendation here would be the chain of lakes has
 18 the most extensive land-use conversion in the delta of
 19 not only agricultural land and ecosystem habitat,
 20 existing ecosystem habitat, but it also a lot of places
 21 where Dick was going to put his ERPP habitat, it
 22 overrides that, so we recommend we drop.
 23 MR. HILDEBRAND: I don't mind you dropping
 24 3-F, but you still haven't addressed the seepage problem.
 25 MS. McPEAK: From an isolated open unlined
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1 Further, often those analyses have not
 2 looked at the resident time in terminal storage that is
 3 unlined with organic runoff.
 4 So the very important question that Tom
 5 raises about water quality should be looked at I think in
 6 terms of all the opportunity for quality to be degraded
 7 before it's applied either to land or for consumption.
 8 And I'm flagging that so that we don't end up with some
 9 of these holes that have existed in other studies.
 10 MR. MADDOX: Thank you. But the question
 11 is more fundamental. And that is the premise when we
 12 started. I mean, I thought I understood that, okay, all
 13 of these alternatives will achieve the same objectives in
 14 terms of the primary objectives of the CalFed program.
 15 Water quality and reliability and ecosystem and so on.
 16 And what I heard here was that, well, you
 17 know, this 3-F, at least on the water quality, doesn't
 18 achieve the same objective as 3-E. And I just point that
 19 out because the underlying premise of the presentation
 20 was they would all do the same thing. So if they are not
 21 going to do the same thing, then at least what they don't
 22 do ought to be focused in a comparison. So that we can
 23 digest it.
 24 MS. McPEAK: Okay, Fully accepted. Mary.
 25 MS. SELKIRK: I know we been long through
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1 facility.
 2 MR. OTT: Correct.
 3 MS. McPEAK: So what we're continue to do
 4 here instead of identify issues that will have to be
 5 probed in the environmental analysis on the EIR/EIS, and
 6 let me try to flag the water quality questions that --
 7 without suggesting a conclusion around them when I ask
 8 about assumptions.
 9 In terms of functionality with water
 10 quality, I'm operating on the principles that we want
 11 water quality for habitat and instream water quality for
 12 users, for ag, urban so at the point of application.
 13 Oftentimes, I've heard urban agency in
 14 particular talk about treatment costs and, therefore, the
 15 precursors, the organic precursors to trihalomethanes
 16 (phonetic). And there then has been a further
 17 assumption, not often, not always analyzed, that
 18 concluded the quality at Hood would be the quality 43
 19 miles south. Depending on -- not necessarily looking at
 20 other factors that would impact the water that goes into
 21 treatment. Such as what is the organics that are picked
 22 up in an isolated facility, although unlined. Therefore,
 23 understanding there might be opportunity for agricultural
 24 runoff that is greater with through delta facility, you
 25 still have had pickup of organics traveling 43 miles.
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1 this, but water quality is one of the distinguishing
 2 characteristics that I think will be discussed in the
 3 step two evaluation, and I have comments I'll leave for
 4 that time.
 5 And I want to make sure we have some time
 6 to deliver and what the people on the council think about
 7 this sort of two-level narrowing process and what the
 8 alternative is to that. Whether there might be some
 9 alternatives.
 10 MS. McPEAK: Just to check with all of
 11 you, we're scheduled to break at around 12:30. What I'd
 12 like to propose is that the discussion of the two-level
 13 process and what we've come through happen right after
 14 lunch. I was trying to get sort of all the presentation
 15 out and we need to pick up at least two people from the
 16 audience who have time constraints to get their comments
 17 in before breaking at 12:30. Is that acceptable?
 18 And that would give time over lunch to
 19 consider are we able to make a definitive decision on
 20 anything? Including the chain of lakes alternative.
 21 That's an easy one. Okay, might be.
 22 Having I think got at least a concurrence
 23 of nodding of enough heads, Lester, we want to finish up
 24 Ron and then get Loren's presentation on the evaluation
 25 process and then try to conclude.
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1 MR. OTT: If I can jump ahead, I'd like to
2 comment a little bit just briefly on Tom's question. If
3 we were comparing an alternative and, first of all, we
4 pick the one that cost a lot of money and said well,
5 let's look and see if that has any functional problems.
6 When we compared it, the one we're comparing, using to
7 compare against it, makes things better, we certainly we
8 still compare it.
9 In other words, if it made it worse, we
10 would not compare it. So we're always either comparing a
11 cheaper cost along with an equal to or better
12 environmental option.
13 Now let's talk about 2-C. This is an
14 interesting alternative. It basically adds three
15 isolated facilities that could draw water out of the
16 southern and central Delta. The pump station, each one
17 has to have pump stations, and they isolate water clear
18 down to Clifton Court where they added a new screen
19 facility to screen the fish out.
20 The ultimate objective of this particular
21 alternative is if we could do real time monitoring at
22 each one of these stations, we could operate more
23 effectively out of the diversions where the fish are not.
24 Or the water quality's better. So if we had for some
25 reason bad water quality here and the fish were there, we
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1 that even though you have these diversions in the Delta,
2 you're still drawing the Sacramento river water across the
3 Delta to these various points.
4 The modifications we suggested will move
5 the screens and put screens in each one of these
6 locations. Now we've got screens here, here, and here.
7 The difficulty with that is that there's -- we're in a
8 title influence very heavily here just look we showed in
9 that fish screen design, so we're still going to have to
10 catch them, store them, sort them, and truck them
11 somewhere else in the delta. Even at these three
12 locations.
13 One of the modifications that we've seen
14 in another alternative in 3-1 for instance, it added
15 extension in the isolated facility clear up to the
16 Sacramento River. To solve that issue. And this is
17 covered in 3-1.
18 You can see in 3-1, basically has the same
19 exact configuration as you do here, listed right in here,
20 but except they put an extension isolated facility up to
21 the Sacramento river so it would give us the ultimate
22 flexibility of diversions in the delta.
23 In other words, it can divert out of
24 Sacramento or some proportion if there's water available
25 in the San Joaquin or here or here depending on where the
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1 would operate out of these two. So it gives us
2 flexibility of diversion points within the delta.
3 Technical problems that arise from this
4 concept was, is that we've had to add pumps, all -- when
5 the alternative was originally thought up, we just
6 thought we'd do it by gravity. Be able to pull the water
7 out of the different river systems in the delta down to
8 the Clifton Court just using the pumps at Clifton Court.
9 We found out since, in order to make these
10 operational we have to add pump stations at these
11 intakes. So now we're saying even though we have real
12 time monitoring and able to figure out where the fish are
13 at certain periods of time, there will be times where
14 we'll still entrain fish in the pumps and in these
15 isolated facilities where they'd be subject to gradation
16 like they are now in Clifton Court Forebay.
17 In fact, there's enough water in these
18 things, in these particular arms that add up to about the
19 same volume as Clifton Court Forebay. So even though we
20 would try to only pull fish in, we would try not to pull
21 fish in by operating each one of these. We would still
22 have probably periods where we would pull them into these
23 isolated facilities.
24 Once they got in there they'd be subject
25 to gradation. The other problem that we saw in this is
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1 fish are. What it does is actually give you the
2 flexibility of four diversion points.
3 The price, the cost of this option alone
4 standing by itself as it does in 2-C, is about 2.3
5 billion. And we looked when we looked at 3-1, we -- for
6 that amount of money, we figured -- gain the benefit of
7 that flexibility so we can actually draw and eliminate
8 the problem of drawing fish into the central delta.
9 What we recommended to BDAC is that it's
10 very expensive as it stands alone, 3-1 incorporates it.
11 We recommended to carry the concept forward in 3-1, the
12 one I've just shown you, and drop 2-C. It's too
13 expensive, doesn't give you enough flexibility for that
14 price, drafting just out of the central Delta. Any
15 questions on that?
16 MS. McPEAK: Any questions? CCFB, can you
17 tell me that?
18 MR. OTT: Pardon me?
19 MS. McPEAK: Clifton Court Forebay.
20 MR. OTT: Clifton Court Forebay, right.
21 Okay. Let's go, no questions on that one. We'll go to
22 3-G.
23 MS. McPEAK: Eric, you have a question?
24 MR. OTT: Yes, Eric.
25 MR. HASSELTINE: Why are they all 15,000
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1 cfs?
 2 MR. OTT: Two of them are. This one north
 3 and here
 4 MR. HASSELTINE: Well, but that's the one
 5 you threw out.
 6 MR. OTT: Well, the other one's the same
 7 way, too. The bottom one should be five.
 8 MR. HASSELTINE: It goes way up.
 9 MR. OTT: Did that have an arrow on it?
 10 MR. HASSELTINE: No, the difference is
 11 that you take it from the river way up to the north.
 12 MR. OTT: Yes, that would be 15,000 also.
 13 So given 3-1, we're not recommending we drop this at this
 14 time. We could divert 15,000 here and say the fish are
 15 right here, we can divert 15,000 here and take it around
 16 and go into Clifton Court.
 17 MR. HASSELTINE: Right.
 18 MR. OTT: Or we could operate anyway -- in
 19 essence what this winds up with because you're still
 20 preserving the through screen facility improvements down
 21 into Clifton Court to draw water in the south delta,
 22 you're actually winding up with five diversion points for
 23 that alternative right there.
 24 MR. HASSELTINE: I was just trying to
 25 relate that back to the single.
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1 one time.
 2 MS. BORGONOVO: You would know when fish
 3 were on a certain time and go to another one?
 4 MR. OTT: Correct, we'd have to do real
 5 time monitoring in all those points. The rough costs of
 6 real time monitoring for what we see is about 2.4 million
 7 dollars a year just from the monitoring.
 8 MS. McPEAK: Tom.
 9 MR. GRAFF: In your handout I believe that
 10 there's a gap on how much the 3-1 costs.
 11 MR. OTT: I did because I'm not really
 12 trying to compare to it this one, Tom. I'm just trying to
 13 say let's include it for analysis but the number you are
 14 after there for this total system when you add that on
 15 about 3.4 billion.
 16 We're not trying to compare this one to
 17 this one. We're just saying that concept would be more
 18 effective than something like this. And, therefore,
 19 we're recommending dropping it, stand alone, and moving
 20 it into this analysis, detailed analysis, under 3-1 is
 21 what we're recommending.
 22 MS. McPEAK: Alex and then Eric.
 23 MR. HILDEBRAND: I could raise a lot more
 24 objections to this than what you've heard yet, but I'd
 25 like to bring up a little more general thing.
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1 MR. OTT: This is just about the exact
 2 same alignment as --
 3 MR. HASSELTINE: The single conveyance
 4 facilities that we had in the other facility though.
 5 MR. OTT: Right.
 6 MR. HASSELTINE: This really opens it way
 7 up. At one time I thought we were looking at the
 8 difference between maybe a 15,000 and a 5,000 isolated
 9 facility. Over here we're looking more at -- looks like
 10 30, 35,000 is the total.
 11 MR. OTT: Right. You could never divert
 12 because of the capacity of the pumps in the conveyance
 13 facility below there. We would never be able to divert
 14 anything but 15,000 total at any one ti
 15 MR. HASSELTINE: Then what would be the
 16 point of having all the -- the two different 15,000
 17 capacity?
 18 MR. OTT: The difference is if we had
 19 delta smelt in front of this screen we could take the
 20 full 15,000 up here if we did not have anadromous
 21 fisheries in front of that screen that we wanted to shut
 22 back on.
 23 So what it does is allows you the
 24 flexibility to draft at different locations around the
 25 Delta, but you could -- no more than 15,000 cfs at any
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1 I think that before we start comparing the
 2 alternatives with isolated facilities to those to the
 3 through delta alternatives, we need to be sure that we
 4 have optimized each of those basic approaches, and we
 5 haven't done that.
 6 For example, speaking to the through delta
 7 which hasn't been discussed much yet because this isn't
 8 really a through delta, there are things that could be
 9 done to minimize the roaming problem that comes with the
 10 through delta.
 11 One of the arguments for an isolated
 12 facility has been the bromine problem. So before we
 13 decide that that's a reason to go to an isolated, we
 14 should examine the ways in which we can reduce the
 15 bromine load that gets into the exports with the through
 16 delta. And I think there are several things that
 17 contribute to that. I could go into it if you'd like.
 18 The point is I don't think we have made an
 19 effort to optimize that sort of thing. We shouldn't be
 20 making choices until we are sure of what the pros and
 21 cons are of the choices. Those choices are a little more
 22 subtle than some of these you're talking about. And this
 23 one -- this one is so outrageous I don't think it
 24 deserves a comment. But when we get down to some real
 25 alternatives, we need to have that. And I don't think we
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1 which choose a moment until we do.
 2 MS. McPEAK: Eric.
 3 MR. HASSELTINE: I Just had a question on
 4 the total cost numbers that have been appearing here. Do
 5 they include the common programs and whatever storage
 6 goes with it or not?
 7 MR. OTT: No, they don't. It's Just for
 8 the conveyance.
 9 MR. OTT: It's Just for the things that
 10 are highlighted. The conveyance systems themselves.
 11 That's all it is. We're not comparing common programs or
 12 storages or what have you. We're Just comparing
 13 conveyance facility costs. And that's what we're -- all
 14 the ones you've seen, that's basically what we're doing.
 15 is trying to narrow all the different conveyance options
 16 down to a manageable number.
 17 McPEAK: Ron, how many more do you have to
 18 go through?
 19 MR. OTT: One more.
 20 TOP ONE: Okay. That's it, one more.
 21 MR. OTT: Promise. Last, one we'd like to
 22 go through is 3-G. And I'll pretty much stay on the maps
 23 for it. If I can find it now.
 24 MR. OTT: Since we compared it, we'll
 25 compare to it one of the ones we've already looked at
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1 we moved upward to get rid of this tidal influence on our
 2 screens. On our screening facility.
 3 Well, if you moved up the river even
 4 further it would lessen the tidal influence. So that you
 5 have less tidal influence up in this area than you do
 6 here for a screening success. The other thing if the
 7 Delta smelts in this area, it would appear the further we
 8 got away from the Delta smelt, the better off we'd be.
 9 So we'd have less chance of having delta smelt in this
 10 area.
 11 And we looked at those two options and
 12 talked to fish and wildlife agencies on their opinion of
 13 the benefits gained from moving from Hood up to
 14 Sacramento. They felt that the benefits would be minimal
 15 as far as the Delta smelt goes.
 16 The reason being, that the smelt move
 17 upstream up into the tributaries during the dry years.
 18 In the last 72 years of record, there's about five years
 19 that they felt they could have moved up into this region.
 20 So when the smelt move it's when it's really
 21 hydrologically a dry period. Also during that dry period
 22 when they'd there be is when we don't have any water to
 23 divert.
 24 So the chances of us being diverted at
 25 that time are slim, but let's say we do. The mouths are
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1 before. 3-G. Basically the ship canal alternative would
 2 screen right next to Sacramento, put a pump station in
 3 because we still need a pump station to force all 5,000
 4 cfs down the ship canal, pick it up again at another pump
 5 station, go through a pipeline, tunnel under the delta,
 6 come up to a canal, and go to Clifton Court. The size of
 7 that facility is 5,000 cfs capacity.
 8 To preserve the operation of the Port of
 9 Sacramento, we'd put locks, ship locks right in area so
 10 the ships would enter up, come up through the locks and
 11 move up to the area.
 12 Now what we compared against that is
 13 basically the open channel alternative that diverts at
 14 Hood, comes around, and we talked about that one. 3-B.
 15 5,000 cfs, open channel, that direction.
 16 Now the difference is, this one's a
 17 question of whether these are functionally equivalent.
 18 They both divert 5,000 cfs, they both move water around
 19 different routes but come up to the same place and -- but
 20 there is a major difference here in that the location on
 21 the river could be very important.
 22 Going through this list, you can see the
 23 locations near Sacramento on the ship canal and for the
 24 isolated -- eastern isolated at Hood. The big difference
 25 here is we said we moved out of the delta cross channel,
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1 so small that we have great operational flexibility. If
 2 we needed to we could say, "Oh, we're going to divert so
 3 much a month here, 10,000 acre feet this month, down this
 4 facility." We knew was smelt there, we may say, "Let's
 5 just do it in two days, put it south and then shut down
 6 for the rest of the month." It gives us because of the
 7 dry conditions it gives us a lot more flexibility.
 8 Given that time of exposure that we might
 9 have a problem there, and that we usually don't divert
 10 while we're there, as far as -- you'll see that there's a
 11 greater tight tidal influence between here to there so
 12 you gain a lot of benefit moving to there. Tidal
 13 influence get less here.
 14 So that's basically in a nutshell why the
 15 fisheries thought there wasn't much derived benefit for
 16 fisheries from moving from here to there. That's a
 17 question. That's what we know right now. We haven't
 18 talked to everybody, but we're throwing that out as we
 19 see it at current times. That's our conclusion.
 20 The other benefit is that the Sacramento
 21 Regional Wastewater Treatment Plant dumps right in here.
 22 So the advantage of a ship canal would be that it diverts
 23 above that wastewater treatment plant. Whereas the open
 24 channel facility taking water to the same place would
 25 divert below it.
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1 You could mitigate -- and that's going to
 2 get quite a bit in the future. I mean, fifteen years
 3 from now their talking about a thousand cfs will be
 4 coming out of this plant in this area. We looked at the
 5 cost of actually a couple thing.
 6 Leaving it where it is because that's the
 7 way the system's been set up so far. Leaving the water
 8 in the river right where it is. That's one option. Does
 9 that really create an impact? It would have to be looked
 10 at in a lot of detail and impact analysis. Just that
 11 we've been living that way for a long periods time.
 12 The other way is actually building a
 13 canal, taking the affluent out of that plant and moving
 14 it down and discharging it right below. In other words,
 15 going below. And that's about a 60 million dollars
 16 effort from what we can see in our feasibility studies.
 17 That's the trade-off you have to look at.
 18 Couple advantages to each one of these.
 19 Of course, we go around that way, you have the ability
 20 if -- Like some proposed to draft water out of the canal
 21 and actually feed the river system a quality at a certain
 22 time. If you have service areas down in this area, it's
 23 easier to service them out of an area that goes around
 24 the east side.
 25 Same thing on the west side. We could
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1 MS. McPEAK: Let's summarize and conclude,
 2 please.
 3 MR. OTT: There's the summary. We
 4 compared C and D, which are both pipelines, we suggested
 5 you drop them. We discussed it and there certainly were
 6 some concerns brought up about are they really
 7 functionally equivalent. We can considered the cost.
 8 We recommended for your consideration you
 9 talk 3-A because it's 1.2 billion dollars less than 3-C.
 10 Same thing with 3-B, 1.2 billion dollars less than 3-D.
 11 Chain of lakes you saw we have to change
 12 it technologically to make it work. Still has major
 13 impacts. We offset those impacts by going with another
 14 alternative, indelta storage. Looked at cost.
 15 Differential there is 3-E is about 700 billion cheaper
 16 than 3-F.
 17 The multiple intakes, we looked at that,
 18 said technologically we had to change it make it work,
 19 and we said -- we looked at the cost of it and we say you
 20 should incorporate it in 3-I when you go forward in the
 21 analysis in step two.
 22 Ship canal, same thing. Still a question
 23 from what we have today, and the experts we've talked to
 24 so far, they see very little fisheries benefit gained by
 25 moving the diversion up to this point. That's still up
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1 provide service out of this area into areas up in the
 2 northern delta area or areas in the southern or
 3 southwestern delta area.
 4 Impacts to the Port of Sacramento. With
 5 the locks in there we figured they would be minor, and
 6 none of course in those two cases. Right of way, the
 7 right of way acreage is less this way than it is going
 8 around that way.
 9 Future capacity we talked about this.
 10 Both of these would be very expensive to do. If you
 11 wanted to upgrade the size of these in the future, this
 12 one would -- not only would you have to put pipelines in,
 13 but you'd have to probably build a new tunnel or else put
 14 a real heavy pump station to pressurize it to move
 15 across.
 16 Cost difference is substantial. The ship
 17 canal costs us about 2.3 billion. That's given that all
 18 costs, that's plus or minus. All these costs, I should
 19 say, they have a range of somewhere along minus 10
 20 percent to plus 35 percent in this case because the
 21 uncertainty is the high technology that we have to do to
 22 borrow -- actually drill under the two river systems and
 23 come up here. But given those costs, we have a factor of
 24 three more for the ship canal. So let's jump right into
 25 the --
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1 in the area. And that would be 3-B compared to 3-B, plus
 2 1.4 billion.
 3 So I guess the question, the same one we
 4 asked earlier.
 5 MS. McPEAK: I'm not going to ask you to
 6 answer the question at this point. And the comparison
 7 that Ron just put up, we're going to come back and
 8 refocus on after lunch. Lester, if you would like to
 9 make a summary comment, obviously on the detailed
 10 evaluation, we will be taking that back up after lunch
 11 too. Lester.
 12 MR. SNOW: I wanted to Just make kind of
 13 a -- I guess I'd call it a bottom line summary statement
 14 on this stuff. We've tried to come up with a rationale
 15 on this coarse screening, but the bottom line is we think
 16 we've constructed a rationale that allows us to eliminate
 17 four isolated facility alternatives and one hybrid
 18 through-delta that Alex would call it isolated anyway.
 19 So I think what we have on the table is a
 20 rationale to do away with five very facility intensive
 21 alternatives. It can make life easier. I think that's
 22 what we want to discuss after lunch.
 23 MS. McPEAK: We are going to take a
 24 comment from Mr. Petrie. Three minutes. I'll give you a
 25 signal and you can then summarize Mr. Petrie.
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1 MR. PETRIE: Good afternoon, Madam
 2 Chairman and Members of the Council. I'll be as brief as
 3 I can, and I'd like to say -- well, first, I want to find
 4 out if there's anybody up here in Sacramento that wants
 5 to buy my boat? In as much as you're not going to do
 6 anything about the fish in my area. All these fish
 7 screens and returning all the fish to the Sacramento
 8 delta, how about bringing some of them up in the Mendota
 9 pool. Either that or along with my land I guess I have
 10 to sell my boat.

11 Anyhow, getting back to the issue of my
 12 concern and more of a series matter, I have great
 13 concerns with the water quality factors going on in my
 14 community.

15 When Wessler's (phonetic) Water District
 16 came into the picture they came in with a 400,000 acre of
 17 land into Wessler's Water District and they were
 18 allocated water from the Sacramento Delta for that
 19 purpose.

20 We thought at the time in my area that
 21 that would be a relief to our communities because of the
 22 over drafting of ground water where the farmers had to go
 23 3800 feet deep to pull water out of the aquifers in order
 24 to be able to find it in that area.

25 But the problem arose after that was when
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1 the activity that's going on with the Mendota pool group,
 2 and that's thirteen farmers pulling on water out of the
 3 aquifers and Mendota pool and San Joaquin River where
 4 you don't have any supply of water going in to the
 5 aquifers and then they are pulling water out.

6 The problem with pumping water from the
 7 aquifers in the beginning was land subsidence. That's
 8 where they took water from the California Aquiduct for
 9 Wessler's Water District. They went back to pumping
 10 water again from the aquifers. Then we got land
 11 subsidence along the California Aquiduct, so they had to
 12 stop that.

13 Now they're taking our ground water from
 14 our aquifer. There has to be some control. The Bureau
 15 of Reclamation doesn't have any control over it.
 16 Somebody has to get a handle on it.

17 Tonight I got to go back to a council
 18 meeting and fight City Hall because they don't understand
 19 what's going on. They have a problem with it. And the
 20 politics. Common sense needs to be brought back into the
 21 issues and we have to put a lot of evaluation on that.

22 McPEAK: Summarize.

23 MR. PETRIE: I want to thank you for your
 24 time and I appreciate it and we need some consideration
 25 from the resources agency and Water Quality Control Board
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1 the West Plains Water Storage District came into effect,
 2 that was developed 250,000 additional acres. The farmers
 3 had to go back to pumping water out of the ground again.
 4 There wasn't enough sufficient supply coming by way of
 5 the California Aqueduct so they went to pull water out
 6 of the ground again. Well, then again.

7 Then there was a \$126,650,000 that was
 8 allocated for the distribution of the water system for
 9 Wessler's Water District and the San Louis drain. They
 10 didn't complete the San Louis drain. Did they use those
 11 monies for the distribution system west of the California
 12 Aquiduct that was supposed to be water storage area?
 13 I'm puzzled at that.

14 Then the problem there is that there --
 15 now there isn't enough water for Wessler's Water
 16 District, so they're pulling around the Mendota pool to
 17 San Joaquin River. That's sucking the water out of our
 18 aquifer. That's our domestic water. They're blending
 19 it with shallow water which is brackish water. No
 20 control of the water quality.

21 I've heard discussions here about water
 22 quality. I think we need to look at water quality
 23 throughout the state. I'm highly disappointed as to
 24 what's going on and nobody having any control over it.

25 Now there's four entities that object to
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1 to get a handle on the activity that's going on in my
 2 area that nobody seems to have any control over. Thank
 3 you.

4 MS. McPEAK: Thank you, Mr. Petrie. For
 5 the BDAC members lunch is served in room 205. We will
 6 reconvene here at 1:35. Thank you.

7 MR. HILDEBRAND: I just want to say the
 8 problems that Ed keeps bringing up before us are very
 9 real problems, and they are not getting the attention
 10 they deserve.

11 MS. McPEAK: Thank you, Alex.
 12 (Luncheon recess.)

13 MS. McPEAK: Ladies and gentlemen, let's
 14 continue. When we concluded, we were about to go to the
 15 detailed evaluation and back to the presentation by
 16 Loren. Lester summarized where we were with respect to
 17 looking at the process to narrow alternatives, if at all
 18 possible.

19 And I think perhaps, Lester, we should
 20 hear from Loren on the detailed evaluation. I'd like to
 21 then have you recap where we are with respect to the
 22 option or opportunity to narrow down alternatives, see if
 23 we can do that.

24 We are going to be recording comments that
 25 you make this afternoon. There were several very
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1 important ones about criteria for evaluation that were
 2 raised this morning that you might want to get
 3 reiterated.
 4 Then we'll conclude this afternoon with
 5 reports from the work groups. Let's see if Loren -- are
 6 you going to walk us through --
 7 MR. BOTTORFF: Yes.
 8 MS. McPEAK: -- the detailed evaluation at
 9 this point? Would which is step two.
 10 MR. BOTTORFF: A little refresher. What
 11 we might have done this morning, I'm not sure but maybe
 12 we've taken the grid off this screen and all seventeen
 13 drop through, but we'll see.
 14 Basically we're talking about the detailed
 15 evaluation. That's really not a screen. Those
 16 alternatives that fall to that level will each be ranked
 17 and arrayed with all the information that we come up
 18 with.
 19 Again, the -- talking about the step two,
 20 how well the alternatives perform against different
 21 basically distinguishing characteristics in this case.
 22 And another review that we talked about
 23 data management, do we really want to have to deal with 3
 24 to 500 pieces of information we have to somehow integrate
 25 in our minds to come to a decision. We want to manage
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1 So I'm going to leave this on. What we
 2 did just as more of a checklist than anything else, we
 3 said let's go back to our four problem areas, original
 4 four problem areas, and see if we can look at them one by
 5 one and see what distinguishing characteristics there are
 6 within that problem area that help us answer the
 7 questions.
 8 In the final result when there's 16 of
 9 them up there, it doesn't matter if they are water
 10 quality characteristics or water supply characteristics,
 11 it's just a way to go through the thought process.
 12 Under water quality when we look at the
 13 common program for water quality and we realize that it
 14 does quite a bit in reducing the total load entering the
 15 Delta -- and there's all kinds of source control items
 16 that go along in the watershed -- so it looks at large
 17 amounts of reduction in load entering the delta and it
 18 advantage of the timing of flow.
 19 So when you consider all of that, the
 20 items that really do change are the ones that are
 21 affected by water flow, what kind of storage you have in
 22 the system and what types of conveyance you have in the
 23 system. How water is move around differently.
 24 So we're thinking that if we can answer
 25 the question, provide information on in-delta water
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1 that data and then pick out the items that are really,
 2 really important for distinguishing.
 3 Again, this is a question we just keep
 4 asking. Every time we look at an issue that we think
 5 distinguishing, we may find there are some minor
 6 differences in some locations with some of the
 7 alternatives, but if we ask this question is it a piece
 8 of information that we really need to select that
 9 preferred alternative, it becomes easier and easier as we
 10 step through them I think. So maybe I'll remind you of
 11 this once in a while.
 12 We ended up with 16 different
 13 distinguishing characteristics that at least we have at
 14 this point that we want to review with you. I want to
 15 step through them one by one, but we almost need to look
 16 at all of them together in the entirety because, for
 17 example, if we start look at number one in-delta water
 18 quality, you may think that, well, if we make some
 19 corrections for in-delta water quality that may mean a
 20 structure or some facility some place that may step on
 21 some habitat.
 22 Well, there's down on number thirteen
 23 there's a habitat disturbance. We're trying to roll
 24 everything up into the fewest number of characteristics
 25 we can.
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1 quality, so that's really something that can vary
 2 significantly between the alternatives. We can get a
 3 sense of in-delta water quality by some of the modeling
 4 that's being done. Delta simulation models give ideas of
 5 circulation and salinities at different locations for a
 6 variety of hydraulic sequences.
 7 So if we can extract that information from
 8 the models and say here's in-delta water quality and what
 9 those parameters are, we think that's an important
 10 consideration in selecting a preferred alternative.
 11 Then export water quality, same thing. If
 12 we can get a sense of, like Alex mentioned on bromides,
 13 what these levels are, total organic carbons, salinity
 14 and things like that, those are going vary by
 15 alternative.
 16 We're thinking under water quality because
 17 we have a common program that does a lot in other low
 18 locations, it comes down to basically these two items,
 19 and you may have some suggestions on modifying these or
 20 adding to them, but -- is the best way to step through
 21 all 16 and then take comments.
 22 MS. McPEAK: Let me ask if there are
 23 comments on these to date. The ones that you have up.
 24 Then why don't you go through all 16 of the
 25 characteristics and then let's see if we can get some
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1 further comments.

2 MR. BOTTORFF: Okay. Again as only for a
3 checklist Just to keep thinking straight, we look at
4 ecosystem quality distinguishing characteristics. At the
5 same time remember there's an ecosystem restoration
6 program plan that does a significant amount of habitat
7 restoration.

8 In each alternative we have a block of
9 habitat restoration, we have the ERPP environmental flows
10 that are part of each alternative. Maybe we go about
11 getting those different ways but those flows are supposed
12 to be there.

13 Fish screening and things like that are
14 pretty common to all the alternatives. Maybe habitat
15 moves around a little bit but depending what the
16 alternative is but we still have that block of habitat.

17 As we sort through the items, it could
18 vary by alternative. The export difficulty version
19 affects on fisheries is one of the first ones to pop out.
20 We have different diversion locations that could have an
21 affect on the types of fish that are potentially
22 entrained. The number of diversions, kind of the
23 flexibility that there is of the system to avoid taking
24 fish diversions.

25 Some of the alternatives will divert more
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1 actually fit for a given alternative, there is some
2 variation. Some of the conveyance facilities require
3 levees in little different places or setback levees.
4 Because of habitat restoration there may be setback
5 levees in different locations due to the alternative, but
6 as far as the integrity of the system, you know, the risk
7 that the whole system is assuming for the land use, to
8 infrastructure and all the economic things that go along
9 with that, we couldn't think of any major distinguishing
10 characteristics for the levees.

11 Again, recognizing that some of them may
12 move around a little bit but still the same goal for
13 protection of land and so forth. So we can come back to
14 that if need be.

15 MS. McPEAK: You may want to follow these
16 categories or groupings of the distinguishing
17 characteristics. They are in the agenda booklet after
18 decision process for selecting the draft preferred
19 alternative under the tab that says Alternative
20 Evaluation Process. We're now on page five of that
21 section. Followed by Water Supply Reliability as the
22 next big heading.

23 MR. BOTTORFF: Okay. In the next problem
24 area on the checklist Water Supply Reliability, here we
25 don't have a common program. We have varying amounts of
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1 or less water into the diversions. So that all can be
2 rolled into a diversion affect on fisheries, either more
3 or less for the given alternatives. Again, we have Delta
4 flow circulation from the D S M modeling that will give a
5 sense of what fish transport might be within the delta,
6 how a fish would move around and where they might get
7 more delay or less delay than they do currently.

8 Then the storage and release of water, not
9 just environmental water, but any water, you're diverting
10 that from the river at a time hopefully whether there's
11 the least environmental impacts and then releasing it
12 back at a time when there's a -- meet ERPP flows or for
13 the further beneficial water uses.

14 When we look at the ecosystem again we're
15 thinking if we can answer those three questions and bring
16 that information to the table that that may be enough for
17 the major distinguishing characteristics between the
18 alternatives.

19 And we move on to the next common program
20 or the next problem area, again for the checklist is
21 levee system integrity distinguishing characteristics.
22 We have a common program for levee system integrity that
23 is going to bring the whole delta up to some high
24 standard.

25 When we look at where levees would
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1 storage, different conveyance facilities, things that are
2 going to affect how much water is at different places at
3 different times.

4 So if we can answer the question what are
5 the water supply opportunities and how do those vary by
6 alternative, water supply opportunities could be greater
7 or less, depending on what we find out in the analysis.

8 But through the DWR assume models runs
9 there would be -- the output from that model will allow a
10 display of different amounts of water over the hydraulic
11 sequence. So it will display information for wet years,
12 dry years and the the whole 70 plus years.

13 Again, that's a piece of information, if
14 we have that that would be of prime interest to the
15 decision makers.

16 Water transfer opportunities, again
17 through DWR assume we would have a sense of a physical
18 capacity limit for the different alternatives of how much
19 water can be moved through the facilities.

20 Potentially another look at that may be an
21 environmental analysis, a sensitivity analysis of what
22 the market may be willing to take for transfers at
23 different prices of water, and how that water may move
24 around which may give us a better sense of what water
25 would truly be transferable. We think we can provide
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1 that for each of the alternatives to show the
2 differences.
3 System operational flexibility will be
4 more of a qualitative Judgment looking at things like how
5 many intakes we have. And what Ron showed this morning
6 with multiple intakes, that may be more flexible or we
7 may find that fish happen to be at all of them at the
8 same time and maybe it's less flexible. But there's
9 going to have to be a Judgment on that.
10 The flexibility would relate to what
11 storage was available in the system and how you could
12 time diversions better. You know, to avoid fish and to
13 meet your water supply needs.
14 South delta channel stages could vary by
15 alternative, depending on, again, the method of water
16 transfer through or around the delta, if there's barriers
17 there. And so that's something that would be important
18 to bring forward.
19 Then the risk of levee failure, I think in
20 your book you'll find that under a different category.
21 We actually had that under the levee category and then
22 decided it fit better here. Some of the alternatives
23 will have different degree of risk for the water supply
24 system than other alternatives. So again, that would be
25 something that would be of interest.

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1 impacts, what are the affects on the farm workers if land
2 goes out of production. You know, recreation,
3 commercial, fisheries, economics, power, different power
4 economics, things like that that would -- we would roll
5 up under the alternatives.
6 Kind of where we bring it altogether again
7 we keep coming back to solution principles, all the
8 alternatives were formed with solution principles in mind
9 to begin with, but now that we know more we'll have more
10 from the detailed analysis of how the alternatives react
11 to these different distinguishing characteristics. We
12 can use the consistency with the solution principles to
13 look at trade-offs and actually put these alternatives
14 together and select a draft preferred alternative.
15 So with that, these are questions that
16 were in your packet. The proposed distinguishing
17 characteristics adequate to compare the remaining
18 alternatives? Either ten or seventeen or whatever drops
19 that to final level. And if not, what should we change.
20 MS. McPEAK: Thank you very much Loren.
21 Let me just again draw your attention to the agenda
22 packet and say that step one is on page two following the
23 tab and then step two are three through seven.
24 The sixteen distinguishing characteristics
25 are grouped under five major categories. And the

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1 So those are the four problem areas.
2 There are other distinguishing characteristics, things
3 that are important to take to the table. Total costs.
4 Not just capital costs, but operating costs. Power costs
5 that Ron had in his examples.
6 The assurance packages could be different
7 for the different alternatives. That's going to be
8 something that's going to be important to consider. Like
9 some of the alternatives, for a crazy example, may act of
10 congress or constitutional amendment to make something
11 happen. That's highly unlikely. So you wouldn't feel as
12 good about the assurances.
13 The habitat disturbance is intended to be
14 kind of a rollup of everything that we from the previous
15 things that have been done for water supply and water
16 quality, any habitat disturbance would be rolled up into
17 one measure, acreages and quality of the habitat so we
18 could directly compare th alternatives.
19 Land use changes. Agricultural land,
20 including prime agricultural land that could go out of
21 production due to implementation of parts of the program.
22 It's really poor to have a view of that. And we -- those
23 will be -- will be able to rank the alternative on how
24 much land, agricultural land, is taken out of production.
25 Socio-economic impacts. The third-party

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1 question's going to be: Are those distinguishing
2 characteristics adequate enough.
3 And actually I think, Lester, I want to
4 work from step two back to step one. Let's talk about
5 the distinguishing characteristics that will be applied
6 to all alternatives that are then analyzed. So the
7 question is if this adequate. Hap, then Richard and then
8 Mary.
9 MR. DUNNING: In the memorandum in the
10 meeting package where assurances are discussed there's a
11 comment that says: A relative qualitative ranking will
12 give the highest ranks to the alternative judged to have
13 the best assurance package.
14 Does that imply that somebody will prepare
15 an assurance package for each of the six to ten
16 alternatives? If so, Lester, how do you anticipate that
17 being done?
18 MR. SNOW: I don't think it means that
19 literally. I think it means looking at perhaps unique
20 assurance features of the alternatives and then some
21 indication looking at the range of options that are being
22 developed and the assurances work effort to try to make
23 some assessment about those that are more difficult,
24 those that are easier to deal with. I think that is all
25 we're trying to get a handle on at that point.

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1 MS. McPEAK: We're going to look a lot to
2 you and your work group to provide us that input.
3 MR. DUNNING: That was my point really,
4 the work group isn't going to be able to come up with
5 assurance packages for all those different alternatives
6 in any kind of detail.
7 MS. McPEAK: In fact, I don't think it
8 would be productive if you did. But I think looking at
9 what assurances are available and then if there are
10 different levels of ability to assure implementation
11 based on distinguishing characteristics of the
12 alternatives we'd look to you to give us some kind of
13 indication of that. Richard.
14 MR. IZMIRIAN: I think also associated
15 with assurances would be the ability to stage the
16 projects. I think that would be an important
17 distinguishing characteristics that ties into adaptive
18 management as well as assurance.
19 MS. McPEAK: Staging your proposing that
20 as an additional distinguishing characteristic.
21 MR. IZMIRIAN: Right. I'd also like some
22 clarification. On the transfer characteristic. All
23 these conveyances we've been talking about so far are
24 pretty much one direction. So any transfer we're talking
25 about here is from north of delta to south of delta or
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1 even. That there may be -- I think we need to be
2 appreciative of the fact that there may be more
3 alternatives that could stay on the radar screen if there
4 was an analysis done of increased treatment costs, what
5 the impact would be, relative cost impact would be
6 depending on levels of treatment with different levels of
7 bromides certainly. I think TOCs is another issue
8 because that has conjunctive use problems. Reclamation
9 problems associated with high levels of carbons and total
10 dissolved solids.
11 So that was -- I wanted to be sure that
12 criterion will be analyzed against treatment costs, that
13 that will be part of a deliberation of the issue of water
14 quality. And I say that despite the fact that I'm an
15 urban water district representative.
16 My other -- I had another question. On
17 under water supply opportunities, and I'm sorry I had to
18 be on the phone out of the room. In the last sentence in
19 that paragraph it says Cal Fed will give greatest
20 consideration to changes in average annual water supplies
21 versus dry and clear year period supplies. Did you
22 discuss that at all? I didn't quite understand what that
23 meant.
24 MS. McPEAK: You're again reading from
25 exactly where?
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1 was there something else in mind here? In other words,
2 is somebody envisioning a net increase in export due to
3 water transfers?
4 MR. SNOW: The transfers are kind of
5 multi-fold in the program. There's transfers to achieve
6 ecosystem benefits, instream fish flows, outflow. I mean
7 there's a variety of things. So the effort would be made
8 under this item to give some relative ranking to the
9 transfer windows that are providing the opportunities to
10 do transfers.
11 MR. IZMIRIAN: Through these conveyances
12 or something else?
13 MR. SNOW: Through the entire alternative
14 package.
15 MS. McPEAK: Mary.
16 MS. SELKIRK: I had a couple things. One
17 comment on export drinking water quality. It says in the
18 packet that there would be a DWR disinfection by-products
19 modeling used in part to determine different levels and
20 types of water quality issues with each alternative.
21 What I wanted to emphasize is that I think
22 it's important that there be an independent analysis of
23 export water quality. I think that clearly urban
24 agencies have a perspective that has been I think -- I
25 don't think yet universally adopted or agreed to buy EPA
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1 MS. SELKIRK: Page five under the --
2 MS. McPEAK: Water Supply Opportunity?
3 MS. SELKIRK: Under the description of the
4 detailed evaluations.
5 MS. McPEAK: Lester.
6 MR. SNOW: I think the way I would
7 actually restate this now, the way I'd rather state it, I
8 guess, is when we look at water supply opportunities I
9 think we need to show two data pieces. I mean, two data
10 pieces of information.
11 One is average annual supply and then the
12 other would be dryer year supplies so you have both.
13 They are different things and water resource
14 managementwise they are quite different.
15 I'm not sure we're actually in a position
16 at this point to say that one's more important than the
17 other, but I think we want to show what they are for each
18 alternative.
19 MS. McPEAK: Let me see if I can get
20 clarification. You were raising treatment costs and also
21 water quality questions; is that right? And you're
22 probing this notion of do we have all the distinguishing
23 characteristics up there.
24 MS. SELKIRK: I understand that part of
25 the whole assumption in CalFed is there's an
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1 anti-degradation policy. That there will be no
 2 alternative that will result in a degraded source water.
 3 Actually -- it's not clear to me whether it's source
 4 water or treated water --
 5 MS. McPEAK: Right, exactly.
 6 MS. SELKIRK: -- supply. And my question
 7 is is there a way to address the difference between those
 8 two in this distinguishing characteristics?
 9 MS. McPEAK: And I was asking the
 10 clarification, the treatment costs may be along with
 11 maintenance costs, a component of number eleven, total
 12 cost. Lester.
 13 I mean, we've had comments before that
 14 Rosemary raised about maintenance. And in terms of the
 15 treatment -- the quality of the treated water and the
 16 costs that are a part of that, the treated -- maybe the
 17 treated water quality and associated costs you're raising
 18 I think as well. It's what quality can you get at what
 19 cost perhaps
 20 MS. SELKIRK: Right.
 21 MS. McPEAK: How would you respond to
 22 that? Because these are -- this is not necessarily
 23 apparent on that what's up there is 16. Lester.
 24 MR. SNOW: I need to maybe go back. We
 25 don't have a nondegradation policy in our original
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1 MR. SNOW: Right.
 2 MS. McPEAK: Eric, then David, then Stu.
 3 then Roberta and Tom. Okay. Eric.
 4 MR. HASSELTINE: I had two questions, take
 5 the quickest one first. This morning we looked at three
 6 or four pairs of alternatives that were then evaluated
 7 against each other. Were all of these characteristics
 8 used in those comparisons? Was that how that was done?
 9 No?
 10 TOP ONE: (Shaking head.) It was --
 11 MR. HASSELTINE: Why would we --
 12 MR. SNOW: The first step is a narrowing
 13 to get a smaller set of alternatives which --
 14 MR. HASSELTINE: Narrowing list of
 15 alternatives is shorter.
 16 MR. SNOW: Significantly. It's to attempt
 17 to narrow the ones you do the more detailed analysis on.
 18 And the other criteria is to find alternatives that are
 19 functionally equivalent will not have significantly
 20 different water supply, dry year water supply, average
 21 year transfer opportunities. They are providing the same
 22 basic function in the system.
 23 MR. HASSELTINE: Except that this gets to
 24 my second question, some of these characteristics are
 25 qualitative, of some of quantitative. Some can very
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1 goals and objectives for water quality we actually have
 2 improvement of raw water quality for export and in-delta
 3 delta. So our objective is to improve. So we have a
 4 standard or simply measuring what is the export water
 5 quality what is the in-delta water quality.
 6 MS. SELKIRK: Thank you for reminding me.
 7 MR. SNOW: And once we get into analyzing
 8 the trade-offs, when you look at what it costs you to
 9 make certain levels of improvements you have to make
 10 judgments about the avoided treatment costs and how much
 11 would it cost you to treat to get the same kinds of
 12 benefits.
 13 So it's actually a combination of the
 14 total cost and the cost of your project to get to the
 15 water quality level that gets for the issue that you're
 16 raising about trade-off on treatment cost.
 17 MS. SELKIRK: Thank you.
 18 MS. McPEAK: You think that is included
 19 in one of the sixteen.
 20 MR. SNOW: If we just showed you the raw
 21 data for each of the sixteen, that would not jump out.
 22 We'd have to show you what you get at that level of
 23 export water quality and what's the avoided treatment
 24 cost.
 25 MS. McPEAK: I think that's being flagged.
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1 easily be measured one against the other, and others may
 2 be somewhat more subjective.
 3 How we are going to weight -- because if
 4 you take among the alternatives left, some of them may be
 5 quite different and they may compare differently in a
 6 whole bunch of these characteristics. How we are then
 7 going to somehow get to the balance line? How we are
 8 going weight these things?
 9 Is there a priority list to this or is
 10 this just going to be what will have to be some sort of
 11 again qualitative or subjective judgment as to the
 12 superiority of one alternative over another? I don't
 13 know who to ask that question to, but I guess that's you,
 14 Lester.
 15 MS. McPEAK: Lester.
 16 MR. SNOW: I think the point of the
 17 distinguishing characteristics in step two is to get the
 18 basic ranking on how they do with respect to these
 19 criteria that we've identified.
 20 And then once you basically have a group
 21 of top performers, what comes into play then is really
 22 the solution principles. That's the essence of the
 23 trade-off. The balance and affordability and
 24 implementability, and that is largely a qualitative type
 25 of process, making judgments about what a balanced
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1 package is, what an affordable package is. And when we
2 get to that point of the process there will be a lot of
3 discussion about the kinds of trade-offs that are being
4 made to come up with, call it the front runner of that
5 top group of performers.

6 MS. McPEAK: David.

7 MS. GUY: I have a question for Lester.

8 I'm a little perplexed, I guess, about the relationship
9 between these distinguishing characteristics and the
10 scope of the EIS/EIR and what the relationship is there.

11 There seems to be a lot of commonality.
12 We're kind of almost talking in two different sets of
13 lingo.

14 I guess a couple questions. One, what is
15 the affected environment for purposes of the EIR/EIS and
16 I guess more specifically from our standpoint, does that
17 include agricultural land. And then how does that relate
18 to down below where you talk about the land use changes
19 and preference for an alternative that has the least land
20 use change? Is that question clear?

21 MR. SNOW: I think so. Agricultural land
22 is part of the affected environment and within that
23 category you have land use as part of the affected
24 environment. As a subcategory of land use you had ag
25 land and then within that you have unique and primate
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1 action to avoid it, if you cannot avoid it, you reduce
2 the impact, if you cannot reduce it, you mitigate.
3 Maybe there's other folks that don't know
4 the terms that we're using but unique and prime
5 agricultural land is a protected resource category under
6 CEQA, so you deal with that differently than you do some
7 other piece of vacant land that doesn't have habitat
8 value on it.

9 You have to display it differently in your
10 environmental document and then you have to kind of
11 address the actions differently.

12 MR. GUY: Okay. Make it clear anyway that
13 agriculture is being considered as part of the affected
14 environment and then broke down into categories that you
15 discussed.

16 MR. SNOW: Yes, it has to be under CEQA.
17 It's an incomplete document if you don't address those
18 lands.

19 MS. McPEAK: Stuart.

20 MR. PYLE: Your staff probably have these
21 things split up in a number of these items that are
22 brought fourth, but I just wonder about a way to tell
23 whether an alternative complies or performs in regard to
24 the delta operating criteria as required under water
25 rights.

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1 land under CEQA. All those things have to be evaluated
2 with respect to the entire program.

3 What we generally indicated here is that
4 alternatives that would affect a lot of land use, unique
5 and primate land, for example, would not score as well as
6 those that tend to avoid unique and prime ag land. Does
7 that answer your question?

8 MR. GUY: I think so. Maybe I'm getting a
9 little ahead of it because I know we're going to talk
10 about trade-off here. At some point I don't want to get
11 ahead, but I guess that's maybe where I'm leading.

12 At some point when you get down to this
13 fact of, you know, the agricultural part of the
14 environment versus another part of the environment, how
15 are you going to reconcile those in the EIR/EIS or in the
16 subsequent phases? I apologize for getting ahead. I
17 think that's where the whole discussion is leading as far
18 as I can tell.

19 MR. SNOW: I guess I don't have a good
20 answer to your question. What you try to do with any
21 resource category is avoid impact, reduce impact, or
22 mitigate impact. That's kind of the sequence of NEPA and
23 CEQA both.

24 So when you identify a potential impact
25 your first action is to try to change your proposed
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1 Can you tell whether a criteria when you
2 go through the various items, export diversions and
3 leading ecosystem standards and so forth, whether it is
4 as good as or worse than let's say the accord operating
5 standards of the D1485 operating standards, that type of
6 thing.

7 MR. SNOW: Stay around, Ron, you may have
8 to help me out with this. But we're doing model runs
9 that would set up as a base the accord. So we take the
10 accord as a given and then we do model runs to compare
11 the alternative to operating under the accord, and we
12 will also look at bracketing some operating requirements
13 around the accord so that we get a good array of what's
14 happening with a potential alternative.

15 So the accord and standards within the
16 accord are our base operating condition. We always
17 compare an alternative to that, and then we will be
18 looking at potential changes to that or some type of
19 modeling bracketing around that.

20 MR. PYLE: Within these 16 is that going
21 to be clear or do we have to sort it out in several
22 different of these evaluations?

23 MR. SNOW: I guess I'm not sure what
24 you're asking.

25 MR. PYLE: You've got 16 evaluation
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1 criteria.
 2 MR. SNOW: Right.
 3 MR. PYLE: Is it going to be clear within
 4 looking at those 16 criteria whether this alternative is
 5 better or worse than accord operations standards or do we
 6 have to sort out through export diversions on fisheries,
 7 then you look at water transfer, then look at water
 8 supply? I want to know do you have on here a criteria of
 9 being able to operate the system and do better or worse
 10 than D1485, accord, et cetera.
 11 MR. SNOW: Everything will be compared to
 12 the base case and no action alternatives. So when you
 13 see a number in a category of an improvement of X percent
 14 of the average year water supply, that's all measured
 15 against the no action alternative. Which would include
 16 the accord operating parameters.
 17 MR. PYLE: Which one of these is it in?
 18 MR. SNOW: Sorry, I'm not following. It's
 19 in all -- we have a no action alternative and every piece
 20 of analysis we do will be compared to that no action
 21 alternative.
 22 MR. PYLE: I'm trying to find out that
 23 given that we want to know that information, can we look
 24 at alternative number ten or alternative number seven and
 25 find that evaluation?
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1 than you do the no action alternative it will show a
 2 negative number in there. If you can get another half a
 3 million acre feet out of it it will show that. So it
 4 will always be compared to no action alternative.
 5 MR. SNOW: Roberta.
 6 MS. BORGONOVO: My comment goes to the
 7 whole EIR/EIS process. When you have listed what will be
 8 given the highest ranking you still do the balancing? I
 9 mean, you come up with the matrix? For example if you
 10 trading off a water quality issue with an ecosystem
 11 restoration issue, that's what it looks like these little
 12 pluses and minuses?
 13 In other words, each case, for example,
 14 risk to water supply and facilities, the alternatives
 15 with the lowest risk to water supply will be given the
 16 highest ranking. So in each of these there will still be
 17 trade-offs, one highest ranking may gain another highest
 18 ranking.
 19 I'm just asking in the process there --
 20 you form a matrix and that's how you begin to do the
 21 balancing that leads you forward in the -- towards what
 22 would be the best alternative?
 23 MR. SNOW: I think you do some version of
 24 that. The first thing you want to do is get agreement we
 25 have the right parameters. Then once we start filling
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1 MS. McPEAK: These are not alternatives.
 2 MR. PYLE: I thought this was
 3 distinguishing characteristic of an alternative.
 4 MS. McPEAK: Right.
 5 MR. PYLE: So does this alternative have a
 6 distinguishing characteristic of costing is a whole lot
 7 of water or saving us a whole lot of water?
 8 MR. SNOW: That's what you'll be able to
 9 pick up in the parameters about water supply. Number
 10 six, water supply opportunities. Number seven, water
 11 transfer opportunities. The numbers that would be in
 12 those fields would be compared against the no action
 13 alternative.
 14 MR. PYLE: That's what I want to know,
 15 that that number will be number seven. If I want to know
 16 if better or worse I look at number seven and it's going
 17 to tell me.
 18 MR. SNOW: I believe the answer to that is
 19 yes.
 20 MR. PYLE: I certainly hope it is.
 21 TOP ONE: Well, the reason that I'm
 22 hesitant, it seems you're asking a more detailed question
 23 that than. When we show for distinguishing
 24 characteristics number six, water supply opportunities,
 25 if in that configuration you get less water out of it
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1 that in we can come back and talk about what we're
 2 starting to see as scoring and what the trade-offs are.
 3 I mean the classic one we've talked about
 4 here before, that's actually on page six, you have system
 5 operational flexibility and indicating the more flexible
 6 it is the higher ranking you'll give it. Right down
 7 below it you have total cost. And the lower the cost the
 8 higher ranking.
 9 Typically those things are -- you know,
 10 they work opens against each other. The more you're
 11 building flexibility in, the more expensive it is. So
 12 one that's highly flexible, chances are it's going to
 13 have a high cost associated with it. So we'll have to
 14 make those kinds of judgments.
 15 Also a system which is highly flexible
 16 which in general is good for adaptive management real
 17 time monitoring typically has more difficulties in
 18 providing assurances. So we're going to have a lot of
 19 those kinds of trade-off tensions in this.
 20 So first we have to make sure we've got
 21 the right things indicated, filling in the data and then
 22 really defining and articulating those trade-off issues.
 23 MS. BORGONOVO: So it's also appropriate
 24 to comment on the parameters that you've listed here.
 25 MS. McPEAK: On the characteristics?
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1 MS. BORGONOVO: Well, no, what seems to be
 2 important is what gets the highest ranking. So it's
 3 appropriate to comment on that, yes, that should be the
 4 highest ranking, no, that shouldn't be.
 5 MS. McPEAK: Yes, I would think so, but
 6 are you not Roberta talking about these distinguishing
 7 characteristics when you say parameters?
 8 MS. BORGONOVO: It isn't the
 9 distinguishing characteristic that seem to me will drive
 10 the process, it's whatever you give the highest ranking.
 11 MS. McPEAK: No, it is not -- it's not a
 12 relative ranking yet of one characteristic to another
 13 it's just --
 14 MS. BORGONOVO: I understand that, but it's
 15 still going to matter what you've given the highest
 16 priority too, isn't that correct?
 17 MS. McPEAK: It could.
 18 MS. BROCKBANK: I'm not a big EIR/EIS
 19 person, I don't carry them around in my back pocket and
 20 look at them all the time. So I'm just really asking the
 21 questions.
 22 MS. McPEAK: At this point the
 23 characteristics are being proposed, they aren't being
 24 given relative weight. That is is characteristic number
 25 one more important than characteristic number two.
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1 would be if you had risk to export water supplies, those
 2 that had less risk would be given a higher ranking on
 3 that characteristics alone. We've not yet dealt with the
 4 relative weight of a characteristic to each other and how
 5 the trade-offs would happen to come to an overall
 6 assessment of an alternative.
 7 MS. BORGONOVO: Perhaps the questions you
 8 have asked you have answered my question, which is it is
 9 appropriate to comment on the distinguishing
 10 characteristic what should be added or subtracted.
 11 MS. McPEAK: Correct. And should anymore
 12 be added as you see it. Right now we've had some
 13 modification or clarification within a couple of those,
 14 particularly the cost issue we've heard maintenance costs
 15 also treatment costs and Richard has offered staging.
 16 The ability to stage, which may or may not be up there in
 17 terms of operation at flexibility or however. But
 18 staging is clearly something that's been brought out.
 19 Tom.
 20 MR. MADDOX: Well, it sounds like there
 21 will be some quantification to help distinguish the
 22 characteristics. In other words, I don't see how,
 23 assume the characteristics are close to being inclusive
 24 maybe there's more or less but I mean it would be really
 25 hard to say alternative A does a better job than
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1 MS. BORGONOVO: I understand but when you
 2 take a look at in-delta water quality, you've already
 3 said what will be given the highest ranking.
 4 MS. McPEAK: Let me try to respond or
 5 answer and then you comment. The water -- each of these
 6 will be -- each of these characteristics will be looked
 7 at. Better water quality would be given a higher rank.
 8 If an alternative, each of the ones we narrow down --
 9 keep in mind we haven't narrowed down any alternatives so
 10 far I'm going to come back to that question -- but each
 11 alternative that is then evaluated in the EIR/EIS, would
 12 be evaluated against these 16 or actually I think Richard
 13 added a 17th one on staging, and to the extent that that
 14 criterion -- or I should use the word characteristic has
 15 value, the way it's stated we're applying value, you
 16 would rank the alternatives according to how they stacked
 17 up on this characteristic.
 18 So to be sure, an alternative that had --
 19 or in their judgment of the evaluators resulted in higher
 20 in-delta water quality would be given a plus or if you
 21 did it on a numerical scale a higher ranking than an
 22 alternative that had a lower in-delta water quality.
 23 In terms of costs, higher costs are not
 24 good. That's -- probably you'd give a higher ranking to
 25 an alternative that was lower cost. Most of the others
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1 alternative B. But the obvious question is begged there,
 2 how much?
 3 So in other words, let's just take
 4 in-delta water quality. If the objectives, the two X and
 5 the other standards 1485 as Stu brought up, okay, this
 6 alternative A will meet that standard plus some more and
 7 then alternative D will do even better than that.
 8 So it seems to me -- or if you do this
 9 water quality you're going to do something to the fish.
 10 In other words the fish population is going to do
 11 something quantitatively rather than just saying it's a
 12 softie.
 13 Well, that's one, in other words like
 14 water transfer. Water transfer, yeah, this one is better
 15 than the other one, but what do we mean? Does that mean
 16 we now have the ability to transfer 500,000 acre feet
 17 more during a wet period -- during a dry period than we
 18 might have with another alternative?
 19 It just seems to me there's got to be some
 20 effort here to do that so that the distinguishing
 21 characteristics we get our arms around.
 22 The second thing I would suggest is a
 23 little close to what Richard was saying, is that or all
 24 of these alternatives, all these characteristics, there
 25 ought to be an effort to identify a sensitivity analysis
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1 whereas if we -- let's just say if we had a little bit of
2 capacity for example at a little bit of cost but you
3 would get some big gains. And there's other situations
4 where your cost curve is very exponential and if you make
5 more investment you really don't gain lot.

6 So for example let's go to water quality.
7 Let's just say at some point -- you know, I would want to
8 know just from an evaluation well, are we -- where we are
9 on that curve? Okay? And I think that that's an
10 important criteria. Maybe that's the staging. But to
11 make a rational decision you would want to know that it
12 seems to me. Maybe we could do that.

13 And the third thing that would really
14 help, is maybe between now and the next meeting is that
15 there could be just two or three alternatives in this
16 matrix that, I forgot who bring it up and just show an
17 example that would illustrate what the type of
18 information -- just show the matrix and just show how
19 that would be constructed and then solicit comments back
20 from us before the meeting. And we might say well, yeah,
21 we can make -- we can distinguish here between
22 alternative A and B or if you do this no we can't.

23 So it would seem to me an example to help
24 us work through this -- I mean I think it would get us on
25 the same playing field there.

1 MR. SNOW: Yeah. I would expect by the
2 September meeting we can give you examples of these
3 characteristics and the kind of data that at that point
4 we will have and are still developing.

5 MS. McPEAK: Rosemary then Alex then Jim
6 MS. KAMEI: I agree with Tom, I think that
7 would be very helpful. As I look at these distinguishing
8 characteristics, one of the things that came to my mind
9 was a lot of the questions especially from the items one
10 through nine.

11 If we're assuming that the models are the
12 correct models to use to get the different rankings, the
13 questions I have are what are the operating assumptions.
14 And what are the data assumptions on these models?

15 Lester said earlier that yes there's going
16 to be an array, for examples, of what came through the
17 accord or perhaps you'll include the AFRP action.

18 I was also wondering once they're ranked
19 and you give their explanation in the matrix is it
20 adjustable? Are we going to be able to adjust them, to
21 say, well, at this point it was a top ranking of the --
22 it was a top performing alternative and it ranked really
23 high in this distinguishing characteristics, but we have
24 found additional information, then it will change. Is it
25 going to be something that you'll allow for change?

1 MS. McPEAK: Let me ask if that's possible
2 and comment. What I heard you ask and propose Tom was in
3 order to give us a better foundation for the qualitative
4 comparison, we need to see an attempt at quantitative
5 comparison to the extent that it is possible.

6 And keep in mind that we had this morning
7 plus or minus ten -- well minus 10 percent in costs and
8 plus 35 percent. There's always a wide swing. And most
9 of the qualitative analysis that can be done will have to
10 stipulate to or disclose assumption.

11 So -- and that's okay because you have to
12 start somewhere, but I'd like to suggest that when going
13 towards a qualitative analysis to give us as much
14 information as possible if you can do quantitative and
15 state the assumptions that would be helpful.

16 Tom is also saying you get diminishing
17 returns for some investment and so sensitivity analysis
18 on continuing benefit for investment would be helpful.

19 But to put this in perspective, if we ever
20 can get to the next step, which is back to step one, of
21 alternatives, is to maybe display the methodology on
22 evaluation against these characteristics in a matrix so
23 that it can be looked at, that we're not discussing it
24 sort of theoretically here but looking at how you plan to
25 approach it. Is that possible, Lester?

1 MR. SNOW: Yeah. Any time you have more
2 information or better data you can make a change to it.
3 And then also I think it's important to understand that
4 because you have the highest performing alternative that
5 does not automatically equate to the preferred
6 alternative.

7 It can be as simple as what Tom was
8 saying, that it's the highest performing but the last 10
9 percent of the performance costs you fifteen billion
10 dollars. So you decide to pick the second best
11 performer. So we still have all of that in front of us
12 yet.

13 MS. McPEAK: Alex.

14 MR. HILDEBRAND: I think we're jumping
15 around a bit among four interrelated things, which I'd
16 like to segregate a little bit. First there's the
17 question which you just alluded to I believe that BDAC in
18 order to make intelligent decisions has to know a little
19 more about what assumptions and provisions there are in
20 the analyses that are being made.

21 For example, I didn't know this morning, I
22 doubt that any of us did, whether the seepage problem has
23 been adequately address. Well, in lunch conversation I
24 find from a technical point of view it has been
25 addressed, from an assurance point of view it has not.

1 There's a big assurance problem connected with that.
 2 And I still don't know just what
 3 maintenance costs are included in these things as
 4 distinguished from power costs, for example.
 5 MS. McPEAK: That's right.
 6 MR. HILDEBRAND: And those can be quite
 7 substantial. So I think we need more information
 8 presented to us on what assumptions and provisions are
 9 included in the analyses that are being made. That's
 10 number one.
 11 Secondly, we're talking about the adequacy
 12 of these distinguishing characteristics. And I think
 13 we've identified a number we think have to be added to
 14 that. There's a question of the effect in the delta of
 15 flood risk of different alternatives. There's a question
 16 of the change, not in water supply but in water demand
 17 among the alternatives.
 18 What affect does it have on the net
 19 available water supply to have one alternative versus
 20 another. And we need to know how these various
 21 alternatives effect the supply and reliability of supply
 22 to each purpose of use, not just collectively. It isn't
 23 clear whether that's being done or not.
 24 We mentioned the need to have the common
 25 storage facilities separated so we don't have -- we're
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1 I mentioned earlier that we've done an equally careful
 2 job of trying to optimize the isolated facility program
 3 and through delta program before we compare them. I
 4 don't think we've done an adequate job of trying to see
 5 how the through delta program can be optimized in
 6 relation, as I mentioned this morning, bromides but
 7 that's just one example.
 8 Now as to the question of whether we can
 9 eliminate any now inspite of all those deficiencies, my
 10 answer would be yes. I don't think we can eliminate or
 11 make a choice at this point between the open canal and
 12 the pipeline job.
 13 But I personally would be quite
 14 comfortable with saying go ahead and eliminate the chain
 15 of lakes, eliminate those two examples, 2-C and 3-1, I
 16 think they were that had triple canals in them. One also
 17 had an isolated facility. And eliminate the western
 18 isolated facility, 3-G.
 19 It seems to me that there was really
 20 nothing said this morning in favor of keeping those in,
 21 and even though I could find a lot of fault with some of
 22 the analyses there was an adequate case to drop those
 23 four so I would suggest that.
 24 MS. McPEAK: We're going to come to that
 25 next. I want to finish the discussion on these
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1 not looking at one alternative that includes storage
 2 facilities and another one that doesn't. That sort of
 3 thing. So is there are a number of things of that kind.
 4 Then there's the question of we talk
 5 about -- it's up here somewhere, the opportunities for
 6 transfers. Well we also need to know what's the need for
 7 transfers. Do you have to assume more availability of
 8 water by transfer and similar alternatives than you do on
 9 others? It interrelates with this water demand thing.
 10 So so much for characteristics.
 11 Then we come to the question of the extent
 12 to which we have to look at all these distinguishing
 13 characteristics in order to make a first screening versus
 14 a second screening.
 15 I would suggest there that in screening
 16 among isolated facilities you don't have to look at as
 17 many as if you're going to compare isolated facilities
 18 and through delta facilities, which we didn't really
 19 tackle this morning. The only one that was labeled
 20 through delta wasn't really.
 21 So I don't think we can come up with a
 22 firm answer on that today other than to suggest we do
 23 need to go into a lot more detail when we start comparing
 24 one to the other.
 25 And that connection we have to be sure as
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1 characteristics and get this list for the, if you will,
 2 step two completed and then we'll move back to the
 3 question of can we drop any alternative. And we'll start
 4 with what you just proposed. Okay?
 5 MR. HILDEBRAND: I jumped the gun.
 6 MS. McPEAK: You're always ahead of me,
 7 Alex. I'm trying to catch up. Pietro.
 8 MR. PARRAVANO: I have two suggestions.
 9 One is a change and one is an addition. Under number 13
 10 under habitat disturbance, I would like to suggest that
 11 that be changed to habitat enhancement.
 12 Because when one reads habitat
 13 disturbance, it reflects a negative process. Where one
 14 of these alternatives, whichever one is going to be
 15 chosen, will disturb the habitat.
 16 But I think this council or this committee
 17 would be in much better shape in terms of the public view
 18 if we were to look at the alternatives in terms of the
 19 highest ranking being given to the alternative that
 20 enhances the habitat as opposed to disturbs the habitat.
 21 My second suggestion an addition would be
 22 to add the characteristic of water use efficiency.
 23 MS. McPEAK: Let me -- just a couple
 24 comments on that.
 25 First, there is assumed in the common
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1 program habitat enhancement, that that's a given that is
2 common to all the alternatives that will be looked at.

3 There could be above that common program
4 for these alternatives a dimension of additional
5 enhancement as well as a degree of disturbance. And I
6 think you're asking us to look at is there any additional
7 enhancement from one alternative to another that's above
8 the common program. As we look at these characteristics
9 applied to the alternatives.

10 I mean for the public's perspective what I
11 want to underscore is there is a baseline of habitat and
12 environmental enhancement that is going to be common to
13 all alternatives. Driven by the ecosystem restoration
14 program. Okay.

15 What this was trying to evaluate is then
16 going beyond that common program of ecosystem
17 restoration, of habitat enhancement, what's the least
18 amount of disturbance. You're posing the potential
19 situation where one might have the ability to further
20 enhance habitat above the common program or beyond the
21 common program.

22 MR. PARRAVANO: Well, that is true, but
23 also I would like to have that changed from a disturbance
24 to an enhancement so that way when the members go through
25 and look at these alternatives we look at this as an
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1 generally enhancing habitat, there are going to be some
2 inevitable at least minor disturbances that need to be
3 accounted for.

4 I think if you use the neutral term like
5 impact or affects or something you'll do it. Because I
6 think almost everything else is phrased in those neutral
7 terms.

8 MR. HILDEBRAND: Except for water transfer
9 opportunities.

10 MS. McPEAK: And the word is used much
11 broader than you think in that one. Richard. We'll work
12 with that. Roger and Pietro and then Eric. Richard.

13 MR. IZMIRIAN: Following up on that, I
14 think a good distinguishing characteristic here would be
15 how well each alternative assists in restoring estuarian
16 function.

17 MS. McPEAK: Okay. Let's keep that in
18 mind. I'm only just reflecting on what you're saying
19 because the objective is restoring estuary function,
20 period.

21 MR. IZMIRIAN: The way you move this water
22 around will certainly affect how -- will distinguish one
23 alternative from another.

24 MS. McPEAK: Okay. Under ecosystem
25 quality, do you see the export diversion affects delta
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1 enhancement process, not as -- the driving factor should
2 be an enhancement not a disturbance.

3 MS. McPEAK: Correct. That's exactly --
4 the whole program is an enhancement program or
5 restoration and enhancement. What they are trying to do
6 is look at how you then minimize disturbance.

7 Let's direct staff to add the question of
8 is there enhancement, to look at enhancement from one
9 alternative to another above the common program. As well
10 as a disturbance.

11 MR. PARRAVANO: Right. I think in terms
12 of being consistent with the program that we'd want to
13 show that the alternatives do reflect habitat
14 enhancements.

15 MS. McPEAK: Right. Okay. Roger.

16 MR. STRELOW: I think to me the
17 distinguishing characteristics otherwise are generally
18 phrased in neutral terms. That is they are not assuming
19 a negative impact or positive one, they are just
20 subjects. So in that light I think it would be better to
21 just to say habitat impacts or habitat affect which would
22 cover both.

23 You have to analyze both and there are
24 going to be situations where certain aspects of the
25 program despite the base feature that you referred to of
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1 flow circulation. If we could note what Richard has just
2 said should be highlighted in those analyses.

3 MR. IZMIRIAN: I think it might be
4 implied, but I don't see it explicit in the
5 distinguishing characteristics.

6 MS. McPEAK: Okay. Eric, Roberta, then it
7 we'll conclude this discussion.

8 MR. HAASSELTIME: The second part of
9 Pietro's comments had to do with water use efficiency.
10 How does that fit into here? Is that just part of the
11 common program for everyone or in fact should it be --

12 MR. SNOW: It is common to all of them.
13 Transfer water use efficiencies are part of all of the
14 alternatives.

15 MS. McPEAK: Roberta.

16 MS. BORGONOVO: That was my question.
17 Also I thought Pietro was suggesting that water use
18 efficiency however could be used as a distinguishing
19 characteristic because maybe that's also the idea behind
20 the way in which you phrased habitat affect or habitat
21 enhancement.

22 I think there's the assumption that the
23 four common programs will be enough, and I, myself, am
24 not sure about that. So I, myself, am very interested in
25 an alternative that moves us along towards water use
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1 efficiency, and I think that may be over and above the
2 common program.
3 Perhaps it will be more apparent when we
4 go through the three alternatives, but when we go through
5 the three alternatives I would like that to be an outcome
6 and I don't see how that will emerge from these
7 characteristics.

8 MS. McPEAK: We're both reflecting on it.
9 The water use efficiency is an objective. It should be
10 embedded as part of the core program. And there may be
11 some ability to distinguish between the alternatives,
12 remember the -- what we're talking about here is what's
13 different from alternative to alternative with -- that
14 includes facilities.

15 Part of what you've also raised is as to
16 the extent possible can we get water use efficiency as,
17 A, a component of the core program of all alternatives
18 but also perhaps as an alternative to an option that
19 includes facilities.

20 MS. BORGONOVO: Perhaps Pietro can expand
21 on that because I like the idea. So I can see it's
22 meeting resistance because it's already there in the
23 common program, but I thought Pietro was saying something
24 more than just being satisfied by what's in the common
25 program.

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1 common core.

2 So I'm wondering Lester, if it doesn't
3 make sense to then have yet another characteristic, which
4 is to look at is there any difference once you now put
5 the physical facilities into a solution, any difference
6 with respect to the common program and what are the
7 implications on the common program.

8 That would then help everybody get back to
9 the touchstone. You're already asking about the solution
10 principles to sort of Judge against. Let's ask then
11 there be another criteria added, criterion added that
12 will be to what extent there are any impacts or
13 implications on the core program because of the physical
14 facilities.

15 MS. BORGONOVO: I think that's right
16 because when you look at many of them, the storage
17 conveyance, all of those really go to water reliability,
18 and I guess I hear from Pietro equal treatment for water
19 use efficiency. I think maybe that would do it, Sunne.

20 MS. McPEAK: Eric.

21 MR. HASSETLINE: I was just going to
22 comment we already have the precedent because water
23 quality is part of the common program and we've got two
24 characteristics related to that. Is that not right?

25 MS. McPEAK: Yes and no.
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1 MR. PARRAVANO: Thanks, Roberta. I would
2 just -- in terms of determining which alternative to move
3 forward, we could say that the one with the highest
4 ranking will be given to the alternative that has the
5 best water use efficiency.

6 And I know it's part of the core program,
7 but I think it -- somehow that is -- all of these should
8 be brought out as a distinguishing characteristic. We
9 have risk to export water supplies, that's under the
10 levee integrity. I think using -- putting water use
11 efficiency under as a characteristic would be a very good
12 characteristic.

13 MS. McPEAK: Perhaps part of the questions
14 you're bringing out is asking if between the
15 alternatives, and remember the alternatives are now
16 different in theory only as the physical facilities
17 component of solution -- or of alternatives, that there
18 is -- we are building in a common program, a common core
19 of actions that would be embedded in any alternative.

20 You're asking though if we should -- if
21 there is any variation between the physical facilities as
22 a part of a solution as it relates to these common core
23 elements, and it would not just be efficient use, it
24 would be ecosystem enhancement, restoration enhancement.
25 Could be the -- whatever else we think is part of the

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1 MR. SNOW: These are issues that can't be
2 dealt with solely through the common program. These are
3 two water qualities parameters that are very much
4 affected on the decision you make on storage and
5 conveyance.

6 MR. HASSETLINE: So water use efficiency,
7 for example, wouldn't be effective that way?

8 MR. SNOW: Not in the same way. It's the
9 issue Alex raised a number of times. You do a large,
10 isolated facility, then how are you going to keep central
11 delta water quality at a certain level. It becomes a
12 different issue.

13 MR. HASSETLINE: I think see.

14 MR. SNOW: I think the point that Sunne
15 has made of having a characteristic of trying to assess
16 the impact of your alternative on the common programs and
17 the affect it has of tying it altogether, it's not clear
18 to me how we measure that, what the yardstick is, but
19 it's certainly a valid point.

20 MS. McPEAK: I kind of sense we've gone
21 through this kind of thoroughly and we have taken 16 and
22 added to them. We've expanded on -- we've added to the
23 list in terms of the number of characteristics and we've
24 also elaborated on at least a couple to give greater
25 definition to those.

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1 What we have also asked is that for the
2 next meeting that the example, the prototype on the
3 matrix be brought to BDAC with an example of one or two
4 of the alternatives. And that should both confirm your
5 understanding of what we think we said, and giving
6 definition here to expanding on the number of
7 characteristics and the definition of them, and as well
8 as display how they would be applied.
9 If you're comfortable with that, it's
10 actually a very significant amount of work you just did
11 and decisions made about the step number two.
12 What we need to do is go to step number
13 one. Stuart.
14 MR. PYLE: Other than the common
15 program -- one thing or add two things?
16 MS. McPEAK: What I had as staging
17 explicitly the -- as a characteristic to be evaluated.
18 MR. PYLE: Seems to me staging or that
19 type of thing ought to also have to do with flexibility.
20 I know you have one flexibility of operation but whether
21 once you're into this thing, and somebody brought it up
22 this morning, once you've begun this plan and you go into
23 the adoptive program, can you think then modify this
24 facility to better suit whatever you want to do in the
25 future.
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1 Staff so far has not found a reason to
2 eliminate any through-delta transfer facility
3 alternative. It's conveyance facility, excuse me. Okay.
4 I'm sorry, I'm stuck back in the 1960s. '70s.
5 Conveyance facilities. Eighties.
6 MR. SNOW: One is technically
7 through-delta.
8 MS. McPEAK: I'm stuck.
9 MR. SNOW: It's the one that Alex says
10 he's not sure it is through-delta. But 2-C.
11 MS. McPEAK: One is isolated. You think
12 2-C is through-delta.
13 MR. SNOW: 2-C is categorized as
14 through-delta, we're recommending that that not be
15 analyzed separately.
16 MS. McPEAK: Okay. Not be analyzed
17 separately. Okay. I'm going to turn this over to Lester
18 in just a moment. And therefore they were proposing that
19 other alternatives of isolated, more of the isolated
20 conveyance facility nature be eliminated, and you can see
21 the recommendations that are up there.
22 And we started with Alex saying he could
23 live with eliminating almost all but one of what had been
24 recommended by the staff.
25 MR. HILDEBRAND: All except the first one.
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1 MS. McPEAK: Keep in mind that what I was
2 attempting to do was recognize that I thought there was
3 agreement that it was really a new characteristic that
4 was being brought up and there were some that were
5 elaborating on existing ones that we're asking staff to
6 take this input and refine.
7 So I can, at the risk of blowing it, try
8 to summarize what I think has come forward or we can
9 leave it to Lester to interpret. But do you want me to
10 summarize what I think we were at? No.
11 MS. SELKIRK: I think you just did.
12 MS. McPEAK: Thank you.
13 MR. SNOW: It was a good summary.
14 MS. McPEAK: It was a good summary. It
15 was okay. Let's move to step one if we can. Which is
16 back to are we able to narrow at all the alternatives.
17 Let me recap that at that point staff is recommending
18 that all of the through delta -- these are alternatives
19 that turn on the transfer facility. On the transfer
20 mechanism. That's -- we sort of all regarded that as an
21 essential issue to be wrestled with here within BDAC
22 whether or not there's going to be a transfer facility
23 and that a part of an alternative and if so, how much
24 variations on that, therefore, how many alternatives to
25 be evaluated.
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1 MS. McPEAK: All except the pipeline.
2 MR. HILDEBRAND: Yeah.
3 MS. McPEAK: Lester maybe you can comment
4 and better lay this out.
5 MR. SNOW: Actually I don't think I can do
6 it better, I think it's clear. I just as I was thinking
7 after lunch if I'm having to make a recommendation to
8 CalFed, and I'm talking to them what the essence of the
9 BDAC opinion was about this on coarse screening and these
10 specific five, I would have summarized it just the way
11 Alex did. That's without any further discussion.
12 That BDAC asked a lot of questions, was
13 very concerned about eliminating the pipeline at this
14 stage of the program, but there seems to be some sort for
15 eliminating the other alternatives that we had talked
16 about. So that's -- the way Alex summarized it is the
17 way I would have summarized it without additional BDAC
18 input. So I think I just want to leave it at that, what
19 Alex proposed.
20 MS. McPEAK: Alex had thrown in 3-1 which
21 you hadn't recommended.
22 MR. HASSELTINE: Alex said get rid of 3-1.
23 MS. McPEAK: I know that. He said get rid
24 of 3-1 but you didn't recommend getting rid of 3-1.
25 MR. SNOW: 2-C we have recommended and I
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1 think Alex agrees with that and maybe I wasn't listening
 2 clearly. Alex was taking it further to 3-1 also?
 3 MR. HILDEBRAND: Yes, I took it to 3-1
 4 also.
 5 MR. SNOW: That means we're eliminating an
 6 entire approach and I think we end up with a little bit
 7 of a CEQA problem with that. So I think we need to do a
 8 little more analysis before we would eliminate that.
 9 MR. HILDEBRAND: 3-1, three intakes plus
 10 an isolated facility.
 11 MR. SNOW: Do I think it's going to be a
 12 winner? No. But I think we need to do a little more
 13 analysis before we would cast that one aside.
 14 MR. HILDEBRAND: If you change your mind,
 15 you want to drop it, it's okay with me.
 16 MS. McPEAK: Let's go back and start with
 17 where Alex has both made a recommendation and a sense the
 18 general mood of the members of BDAC here today.
 19 And the first is, as opposed to staff
 20 recommendation which was to drop 3-C, that you're -- he's
 21 proposing 3-C remain in the mix. That is the isolated
 22 5,000 cfs pipeline. Roger.
 23 MR. STRELOW: I'd like to speak to that
 24 and just put it in broader terms that may be helpful as
 25 we face similar issues in the future.
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1 like that one.
 2 So I think it's a good decision if that's
 3 what we make, but there's a good reason why it's a
 4 general principle I think we ought to follow.
 5 MS. McPEAK: So that wisdom was to that
 6 council and wisdom shared with us was to leave that
 7 option in the mix whether it's good reason to leave it in
 8 the mix. Yes. Stuart.
 9 MR. PYLE: I support that. That was the
 10 point I was making this morning that even though my folks
 11 at home would not want to pay for a two-something billion
 12 dollar pipe in the ground, I still think it needs to be
 13 in there because of the environmental impact analysis and
 14 the need for the public to evaluate all the reasonable
 15 alternatives.
 16 MS. McPEAK: Is there anyone who is in
 17 major disagreement with the notion of leaving it in and
 18 therefore remains a part of the analysis?
 19 MR. HASSELTINE: I'm not in major
 20 disagreement necessarily, but I'm curious -- it's 3-C
 21 we're leaving in right?
 22 MS. McPEAK: 3-C, right.
 23 MR. HASSELTINE: As opposed to 3-D. And I
 24 guess I'm wondering why. Not that I want to leave them
 25 both in, I don't.
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1 I know there's a great natural desire to
 2 want to whittle down alternatives because there's a huge
 3 variety that can be considered, but from the standpoint
 4 of having a document that will withstand scrutiny and
 5 potential challenge as well as meet the concerns of this
 6 whole group, clearly the one thing you want -- one of the
 7 things you want to be most careful about is ever
 8 eliminate an alternative that even arguably in some minds
 9 would be a better alternative environmentally. To me
 10 that's kind of what the pipeline debate we had
 11 illustrated.
 12 I just thought it would be useful to
 13 articulate that. Others may see it different ways. But I
 14 mean I've been involved in fact very recently in a very
 15 analogous situation actually where all kind of trouble
 16 arose because the people preparing the EIS figured this
 17 is clearly an environmental inferior alternative or at
 18 least doesn't offer any environmental advantages and the
 19 very debate was over that point. And it's held up the
 20 project for years and all the things you don't want to
 21 have happen.
 22 So I think whenever there's even a bit of
 23 an argument possible, it's better in the long run even
 24 though it means a longer document, more alternatives, to
 25 go ahead and do the more extend analysis of an option.
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1 MS. McPEAK: Lester.
 2 MR. SNOW: I think the issue, kind of the
 3 policy discussion you are having that I want to
 4 characterize as advice for CalFed subsequently is more to
 5 the issue of making sure you haven't ruled out a pipeline
 6 prematurely. That's the basic discussion.
 7 So that following on with CalFed and they
 8 agree with that, we would simply make sure we're doing
 9 our analysis to cover off on the pipeline issue and to
 10 make sure we can answer questions about the pipeline and
 11 how it can be substituted for a canal and that sort of
 12 thing.
 13 We're just going to make sure -- what
 14 you're saying is advise CalFed is don't throw it out, you
 15 may be sorry about that, and then we'll need to make sure
 16 we're analyzing the pipeline.
 17 MS. McPEAK: If 3-C is in then 3-D has to
 18 be in. Let me be clear. If 3-C's in, 3-D has to be in
 19 because the D variation is simply on storage. And we
 20 were not at this point being asked is to narrow down any
 21 options based on storage alternatives.
 22 MR. HASSELTINE: That one's easy, but I'm
 23 glad I asked it because at least now it's on the record.
 24 The concerns I heard this morning about open channel
 25 versus pipeline, and my understanding based on the
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1 staff's description are these are functionally equivalent
2 facilities. It's a question of which conduit you're going
3 to use.

4 And they pointed out the differences in
5 cost and operation. Operational considerations. The
6 environmental trade-offs were relatively minor. The
7 concerns I did hear were Rosemary raised the increased
8 maintenance cost of an open channel versus a pipeline.
9 No question they'd be higher. They probably wouldn't
10 equal anywhere close to the increased annual costs which
11 would be on the order of 200-plus million dollars, but
12 there would be some.

13 There is the question that I heard of
14 expandability. They are both exceedingly difficult to
15 expand. One is slightly more difficult than the other.

16 And then there were -- you know there were
17 some related things. Seepage. On that basis we're going
18 to go forward with a recommendation that we include a
19 functionally equivalent facility that is two and a half
20 times more expensive. I just want to make sure I'm clear
21 on that.

22 MS. McPEAK: Just to maybe try to further
23 comment, the function of the functionality was movement
24 of water, the delivery of 5,000 cfs. Part of the debate
25 I think may go to the impression that functionality of

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1 what you're assuming.

2 MR. HASSELTINE: In theory you can dig the
3 ditch wider, in reality it would be exceedingly difficult
4 to get approval. But I understand this point.

5 MR. STRELOW: That's all.

6 MS. McPEAK: Alex.

7 MR. HILDEBRAND: There's also the
8 unanswered question as to whether the staff design that
9 they evaluated and cost takes care of avoiding any
10 increased flood risk during major rain storms. We don't
11 have an answer to that.

12 And the question of what you do about
13 insuring that the seepage to damage would indeed be
14 controlled. So I think you have to keep the pipeline on
15 the table for the time being. In the end I'll be against
16 both of them, but I don't think you can throw out the
17 pipeline in favor of the canal until we know more.

18 MS. McPEAK: We appreciate the tolerance if
19 not openmindedness. So thank you. I think we have
20 concurrence to not accept the staff recommendation to
21 eliminate but rather to keep the option in.

22 Can we move now to the chain of lakes?
23 Staff recommends, Alex recommends, that that be
24 eliminated. Is there agreement around the table that
25 that should be the case? Congratulations. Okay.

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1 facilities -- of a conveyance facility may be more
2 dimensional than simply the movement of a given amount of
3 water. So the issue --

4 MR. HASSELTINE: I understand perceptions
5 are real important here.

6 MS. McPEAK: But on the question of if you
7 are looking at simply what conveyance facility can move
8 5,000 cfs based on what we were given, staff stipulated
9 to the fact it would be as low as -- it could be off as
10 much as 10 percent too high or 35 percent too low.
11 There's variation of 45 percent in these figures at this
12 point on cost projections. They came up with that
13 comparison. I'm going to get Roger and then Alex.

14 MR. STRELOW: To me, Steve, the real catch
15 here is that you described it -- for example, the
16 environmental impact between the two options as being
17 quite minor. I tend to agree with that, but I can see a
18 pretty cogent argument being made to the contrary. And
19 if you leave out the option that could be argued to be
20 more than modestly preferable environmentally, you have
21 pipelines underground, you don't have as much impact, you
22 can't -- maybe the ease of expansion is in fact quite a
23 bit greater at least with an unlined canal, there could
24 be a pretty strong argument that the environmental
25 impacts really are more different, more disparate than

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1 So that is not an option that will be
2 further evaluated. That was as close to unanimous as you
3 can get. I'm going to grab it.

4 MR. HASSELTINE: I didn't follow the --
5 well, go ahead.

6 MS. McPEAK: We're going to move to 2-C on
7 the multiple delta intakes. Is that what you were going
8 to ask about? Okay, Eric, go ahead.

9 MR. HALL: Yes. Lester, I didn't really
10 understand what you said there about the importance of
11 keeping that in. Because the chain of lakes is
12 distinctly different than anything else, too, in a way.

13 MS. McPEAK: Functionally it's an isolated
14 facility. Excuse me. Go ahead.

15 MR. SNOW: There are currently two
16 alternatives that have as their basic concept multiple
17 diversion points to be able to use real time monitoring
18 and move your diversions around the delta. And that is
19 2-C and 3-1.

20 And what we have looked at is that 2-C
21 just doesn't hold up as a standalone. And since we have
22 one that's similar like 3-1, all the analysis we need to
23 do to have a complete CEQA-NEPA document we can do within
24 3-1, so we'd just as soon get rid of 2-C.

25 Alex proposed going ahead and getting rid
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1 of 3-1. We haven't had this kind of detailed discussion
 2 on staff, but I'm concerned if we eliminated both of the
 3 multiple diversion approaches at this point that maybe
 4 we're a little on soft ground.
 5 MR. HALL: If we compared 3-1 in cost to
 6 3-C or 3-D whichever one -- wouldn't it be significantly
 7 greater since we took out others because of those high
 8 costs? Why wouldn't we just take these out?
 9 MR. SNOW: Only when functionally
 10 equivalent. Then 3-1 picks up all of the concepts of
 11 2-C. 2-C does not pick up all the concepts 3-1.
 12 MR. HALL: Functionally equivalent before
 13 though was basically delivering certain amount of water
 14 in a certain way, right?
 15 MR. SNOW: And basically where it's
 16 diverted from and whether you're able to screen.
 17 MS. McPEAK: So staff recommendation is
 18 3-1 be left in and not eliminated. That's what I'm going
 19 to ask if we can live with. Stuart.
 20 MR. PYLE: On 3-1, is there a companion in
 21 a has a smaller isolated facility that goes all the way
 22 up to Hood? Do you have it on 3-1 with 15,000 cfs
 23 intake? I wondered why you didn't do that with 5,000.
 24 Seems to me the inflexibility you may not need 15,000 at
 25 all times if you're trying to jockey around the small
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1 should build that into the option and note that.
 2 You make pick information somewhere else.
 3 but there's somewhat of a level of discomfort with that
 4 high of diversion at Hood on this option.
 5 MR. PYLE: I think lower sizes should be
 6 considered at all those diversion points.
 7 MS. McPEAK: Alex.
 8 MR. HILDEBRAND: If you're going to leave
 9 it in I'd to ask you a question about it. 5,000 cfs on
 10 the San Joaquin River is usually more than the flow of
 11 the river. You're going to be sucking water upstream
 12 from the Stockton sewer plant and ship channel and all
 13 that stuff. Why is that so good?
 14 MS. McPEAK: It's not. Go ahead.
 15 MR. SNOW: I don't know that it is good.
 16 Alex.
 17 MR. HILDEBRAND: It seems to me you can
 18 throw that one out now.
 19 MR. SNOW: We may have somebody here that
 20 can speak better to the concept of this but I think
 21 it's -- a lot of the alternatives we put together we kind
 22 of got out of our intensive scoping and workshop process
 23 and people came up with ideas. This one's based around
 24 real time monitoring where you see you have fish in the
 25 vicinity of an intake so you switch the location of your
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1 fish.
 2 MR. SNOW: I think we're modeling that one
 3 with 15,000 which could mean as you analyze you could
 4 make assumptions about smaller diversions at that point.
 5 But we're modeling the high end of it and you can go down
 6 from there.
 7 MR. PYLE: So leaving in 3-1 means you're
 8 leaving in the variety of sizes that are up to there.
 9 MR. SNOW: Yes, I think that's the proper
 10 way to look at it at the programmatic level.
 11 MS. McPEAK: Roberta.
 12 MS. BORGONOVO: Going back to Stuart's
 13 question, does it mean you analyze a 5,000 cfs screening
 14 take up at Hood? Is it 15, 15, 15 all over or is it 5, 5
 15 or 10 or is there a variation?
 16 MR. SNOW: I guess I'm not sure how we'd
 17 break that one down. From other alternatives we will be
 18 evaluating the 5,000 cfs screen diversion at Hood. And
 19 the impacts with 5,000 cfs canal. We're picking up all
 20 those impacts from other alternatives and we'll have that
 21 information.
 22 MS. McPEAK: What I'm hearing is general
 23 concurrence to go with 3-1. With advice to staff that if
 24 you have other ways of modeling a stage or a lower level
 25 of cfs diversion at Hood -- so 5, 10, 15 -- then you
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1 intake. That's a valid concept. I think what you're
 2 pointing out is some of the mechanics of where you do it.
 3 MR. HILDEBRAND: It's more than mechanics,
 4 it's a question of whether they're living in the real
 5 world when they think that's a good idea.
 6 MS. McPEAK: Even during bad years there's
 7 5,000 cfs for maybe 48 hours, 78 hours on a big storm.
 8 MR. HILDEBRAND: Occasionally, yes.
 9 MS. McPEAK: Yes, that's --
 10 MR. HILDEBRAND: Why do we analyze
 11 something that can only function occasionally? Very
 12 occasionally? And which would have bad effects on the
 13 hydraulics of the system south of the central delta.
 14 MS. McPEAK: I'm getting signals now from
 15 the audience and body language from staff. So I don't
 16 know if there's voting going on here.
 17 MS. BROCKBANK: Speak up.
 18 MS. McPEAK: Let's try to define it.
 19 MR. HILDEBRAND: We were trying to cut
 20 down on the work of the staff to analyze so many silly
 21 ideas.
 22 MS. McPEAK: Let's get Steve and then Dick
 23 if you want to can comment I'll bring it back to Lester.
 24 There's general concurrence I want to
 25 summarize before I get to Steve's comment, that this sort
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1 of approach be analyzed in order to have the fullest
2 range in the EIR/EIS and we're accepting your caution.
3 There's a lot of concern with the reality
4 of the size of the intakes and the upper end of the
5 larger intake. So you need to build that into your
6 assessments. Steve.

7 MR. HALL: I won't defend or speak to the
8 precise numbers on that overhead Alex, and I certainly
9 won't debate with you how much water might be available
10 in the San Joaquin. But the concept needs to be studied
11 for a couple of reasons.

12 First more than an isolated facility, more
13 than any through delta option that I have seen presented,
14 multiple diversion points are considered biologically to
15 be the best way to avoid fishery impacts.

16 And the second is -- gets to the point
17 Roger Strelow made a moment ago which is, you don't want
18 to exclude at that juncture any viable alternative. I
19 think this is sound concept. It's a little expensive,
20 and as you pointed out it's not completely workable in
21 the way it's been presented. But I don't think it's at
22 all far fetched to believe some version of this could
23 make it.

24 MR. HILDEBRAND: With much lower numbers.

25 MR. HALL: Perhaps Alex. I won't debate
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1 the more real world situation.
2 MS. McPEAK: Roberta.
3 MS. BORGONOVO: My question when we heard
4 that the most efficient screens are 3,000 cfs, it's never
5 appeared in any of the alternatives. Are you going to
6 look at 3,000 cfs especially with multiple intakes?
7 I mean when there was the discussion of
8 trucking fish, as soon as you hear trucking fish that
9 can't be best for them to put them in a truck or some
10 into the pipe and dump them out somewhere.

11 So I think that's very important in
12 analyzing these alternatives.

13 MR. SNOW: I agree.

14 MS. McPEAK: In fact, Tom has brought that
15 up twice about 3,000 cfs capacity at the lower end of an
16 isolated facility. I noted that here. I think that has
17 to be dealt with and acknowledged in the environmental
18 work. You had some answer before when I raised this. I
19 can't remember what it was.

20 MR. SNOW: 5,000 is related to the kind of
21 the total urban capacity that's where that comes from.

22 MS. McPEAK: That's right.

23 MR. HILDEBRAND: You will be screening
24 more of the flow of the San Joaquin River there, how are
25 you going to expose of the fish with no through flow to
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1 that with you.

2 MR. HILDEBRAND: I think you merely throw
3 away the possibility of its ever being chosen by putting
4 up that kind of numbers.

5 MS. McPEAK: We've already said that lower
6 ranges need to be looked at. Lester and then Roberta.

7 MR. SNOW: Steve already kind of answered
8 the question I wanted to ask about overall feeling of
9 this alternative.

10 I guess then I want to respond to Alex a
11 little bit in that in all of these options where we're
12 analyzing high ranges such as storage of 6.7 million acre
13 feet, we're not locked into that higher level. You look
14 at that for your maximum impact and you can work your way
15 down to more appropriate levels of storage, more
16 appropriate levels of volume.

17 And it's important on isolated facility,
18 we discussed this probably over a year ago, but we're
19 analyzing 15,000 cfs and 5,000 cfs. That does not mean
20 those are the only two choices we can make if we provide
21 with an isolated facility. You can look at a 10, look at
22 a 3. There's a lot of flexibility.

23 We're trying to nail the impacts
24 associated with it so we still have the flexibility as we
25 get into this of modifying capacities and sizes to meet
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1 carrying them away? Are you going to pipe them all over
2 way down to the central delta or something?

3 MR. SNOW: We're not trying to sell this
4 alternative. That's real important. What we're trying
5 to do now is decide ones we can get rid of without either
6 NEPA-CEQA Jeopardy and ones we had need to do more work
7 on.

8 I think there's number of alternatives
9 we're carrying forward that will be too expensive or have
10 problems with it, but we need to analyze it and verify
11 that they are problems with it.

12 MS. McPEAK: The consensus is this one
13 remains in this approach stipulating to the fact that the
14 lower volumes of intake need to be really examined.
15 Mary.

16 MS. SELKIRK: I have another question.

17 MS. McPEAK: I was about to move this to
18 the last option, the last alternative that was
19 recommended for I guess elimination here. That was -- is
20 this on this ship channel? That one is recommended for
21 not further consideration. Mary you have another
22 question?

23 MS. SELKIRK: I'll wait until after.

24 MS. McPEAK: Is there anyone here who
25 thinks that that option should remain in the mix for
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1 analysis? Thinking that it should remain in mix does not
 2 mean that you support it.

3 I am seeing no body language that suggests
 4 that you think it should remain in. Are you comfortable
 5 taking the staff recommendation that it not be further
 6 considered? Okay. Then there's concurrence that that
 7 not be further considered.

8 I think we've worked through the task that
 9 was given to us for this agenda with respect to step one
 10 and step two, that is, narrowing down options and looking
 11 at the distinguishing characteristics. Okay. Mary and
 12 then Roger.

13 MS. SELKIRK: My question is this, and
 14 it's caused me some confusion that I think as Tom raised
 15 very early on, we've been I think trying to evaluate both
 16 a process and also some specific examples that for which
 17 the process was used.

18 Now this is not the sum total of the
 19 alternatives that are going to be screened and eliminated
 20 according to this step one process am I not right? That
 21 if we're going -- if you're going to be winnowing 17 down
 22 through 6 through 10 we've only dealt with 4 or 3 here.

23 I'd like to know what the process will be
 24 to inform or bring forward to BDAC the remainder -- what
 25 I would have preferred I think would be to have seen
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1 with you on accept 4th and say here's additional analysis
 2 that's taken place since the July meeting. But at this
 3 point, this is the list that kind of went through our
 4 process and what resulted from it.

5 MS. SELKIRK: Okay.
 6 MS. McPEAK: Roger.
 7 MR. FONTES: Alternative 3-G deciding to
 8 eliminate the ship channel alternative, 3-G, the staff
 9 recommendation dealt with the alternative there as
 10 alternate 3-B. 3-B is the canal. I guess the
 11 clarification I'm looking for in not deciding to
 12 eliminate the pipeline, in essence now we went from 3
 13 isolated possibilities, ship channel, pipeline, and canal
 14 to two. The canal and pipeline, is that it?

15 MR. SNOW: Right.
 16 MR. FONTES: Okay. Thank you.
 17 MS. McPEAK: We have a couple more items
 18 that we're going to take up but also a request for public
 19 comment on the detailed water analysis, the detailed
 20 evaluation. Linda Cole with the Valley Water Protection
 21 Association. Linda, do you want to comment now on the
 22 detailed evaluation? You also have a card in on
 23 assurances in.

24 MS. COLE: I would like to just make one
 25 comment on your current topic.
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1 today the array of the either/or, the functional groups
 2 and the alternatives that you all have been considering
 3 in addition to these. It would have helped me I think to
 4 understand more of the process.

5 But that aside, could you say a little bit
 6 Lester about how there will be BDAC input if at all if
 7 now you have a sense that there's general agreement with
 8 the two-step narrowing then does that mean that the
 9 council will be presented with the final list next -- of
 10 the next meeting or in October I don't know what the time
 11 is.

12 MR. SNOW: Let me start with that this is
 13 the list as we know it today. We haven't come here with
 14 a partial list. We've come here with all the ones we've
 15 worked through and have shared with the CalFed agencies.
 16 The member agencies of CalFed.

17 We have challenged the CalFed agencies to
 18 kind of go through their own thought process to see if
 19 there's other ones. So we still have them to come back
 20 to us and say we think 4-X fits your criteria. And
 21 that's not a good one either.

22 Should that happen, then we'll apprise
 23 CalFed that this is -- the input we got from BDAC, we got
 24 these from CalFed agencies, we think they fit the same
 25 criteria. And then we'd bring that back and share it
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1 MS. McPEAK: Sure, come forward please. I
 2 let you know when it's three minutes. Go ahead.

3 MS. COLE: I appreciate the fact that BDAC
 4 members recognize that there were assumptions that were
 5 worked into these processes that hadn't been fully
 6 developed or disclosed in the information.

7 And those assumptions have our group very
 8 concerned because as you go through, every discussion
 9 that you have talks about the water users, the people who
 10 are going to be using this water, this new water. And
 11 there's never a discussion about the source areas.

12 So without having disclosure about the
 13 assumptions that are going to be used for cost analysis,
 14 we're left wondering where is our protection. Where is
 15 the reliability protection, where is the cost protection
 16 for source areas.

17 An example would just be the discussion
 18 about the pipeline and the costs involved there. And if
 19 you build bridges to do open canals, then the cost for
 20 maintaining those bridges would be at the source
 21 counties. If you take extra land out of production for
 22 right of ways, the lost tax base may be to the source
 23 counties.

24 So these are all concerns that we in the
 25 source counties are asking you to factor in. Don't just
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1 take the perspective of what are we going to do with this
2 new water.
3 And then additionally the rush to come up
4 with these conclusions. The idea that we want to
5 simplify the alternatives or eliminate some of them so
6 that we can speed up the process of analysis. Again, if
7 you can't fully develop all of the alternatives for
8 evaluation, how safe are we going to be? So again comes
9 the question of why do we have this deadline of 1998?
10 Thank you.

11 MS. McPEAK: That you Linda. We have
12 actually -- I think Lester thinks gone through a
13 discussion of trade-offs and alternatives. Do you all
14 have any further questions about trade-offs? If you do
15 I'll wait until he comes back. Go ahead Lester.

16 MR. SNOW: I just want to stand back here.

17 MS. McPEAK: Let me ask that question.
18 Let me see if maybe while you're thinking about that, the
19 restoration coordination program update, is Jeff here to
20 do that report for us? Jeff, you're ready, you're on.

21 MR. PHIPPS: Okay. Is this on great. Kay
22 Hansel is taking a well-deserved break with her family
23 while we have a semi-lull and so that's why I'm
24 presenting this today.

25 The restoration coordination program has
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1 again a very brief overview. We have a two step process
2 in the technical evaluation that's going to occur in
3 August and September.

4 First we have technical review panels that
5 will be doing the actual scoring of the proposals. And
6 we'll probably have multiple panels that will be
7 segregated by topic and probably geographical area to
8 evaluate a manageable number of proposals by that one
9 panel.

10 Then we have an integration panel that's
11 more the bigger picture perspective, then taking the
12 recommendations and the scoring from the individual
13 panels and pulling it into here's what the recommended
14 package is.

15 Then, again, that will come to the
16 ecosystem round table, subsequent to that to BDAC, and
17 then the CalFed policy group.

18 Probably the most important thing that's
19 surfaced in the ecosystem round table is what the
20 ecosystem round tables role is in this process and what
21 it has been. We've been working very close with the
22 ecosystem round table and identifying the process,
23 defining the priority species defining the criteria that
24 would be used to select the projects.

25 There has been some disappointed because
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1 two purposes, much narrower than the conversation you've
2 been asking. It's focused on initiating the near term
3 implementation activities for environmental restoration.
4 And it's also -- and not independent with that it's
5 responsible for trying to coordinate the various funding
6 and implementation activities.

7 So what I'll give you an up date on is on
8 those two activities. The first being the RFP that was
9 released in mid June six-weekturn around. Week from
10 yesterday will be when the proposals are due. We expect
11 hundreds. We know there's a flurry of activity out there
12 so we're going to be very busy in the month of August.
13 That's when we'll be initiating the proposal evaluation
14 by the technical review panels in the month of August in
15 early September. Probably in the middle of September it
16 will go back to the ecosystem round table as well as then
17 come back to this group.

18 What we'll be providing you is a summary,
19 and I'll be talking about this later, but a summary of
20 the recommended packages from the evaluation. And that
21 will be in mid September, early October.

22 Then it will go from this group if it's
23 agreed on that it will go forward, then we'll go to the
24 CalFed policy group in mid October.

25 In terms of the evaluation process. Just
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1 we determined that we're under contract law on this and
2 so we have to retain some -- we can't publish everything,
3 so there's been some concern on some round table members
4 that they are not having as much input as they'd like on
5 the proposals because we will not been able to divulge
6 information on the proposals until a final selection
7 made.

8 So what we will be bringing to the
9 ecosystem round table as well as to BDAC is a summary of
10 the nature of the proposal package. It it won't be what
11 proposals but it will be something, and we haven't
12 finalized it, but something to the extent that there will
13 be five million dollars of screening on the Sacramento
14 River. But we won't say, we can't say what projects
15 those are.

16 We may say there's riparian habitat five
17 million dollars on the Sacramento corridor five million
18 dollars in the bay delta or in the estuary et cetera. So
19 we'll be summarizing it in more general terms without
20 getting into the actual proposals.

21 The way that you will be able to provide
22 input is to look at that blend and look at the assumption
23 that the integration panel used in coming up with that
24 blend and say, "Well, that just doesn't seem right.

25 There seems to be a more urgent need or a more desirable
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1 need to have more work in San Joaquin." Or we should
 2 hold off on spending all 70 million of this and hold a
 3 reserve of 20 million and only spend 50 million. So
 4 we'll probably have a range of packages for you to
 5 comment on.
 6 In a nutshell that's the RFP process and
 7 I'd be glad to answer any questions. I have one more
 8 viewgraph I wanted to talk about with coordination.
 9 MS. McPEAK: I'm sorry, Alex.
 10 MR. HILDEBRAND: I'm not clear on if we
 11 can't look at individual proposals, how we find out
 12 whether, for example, there's a proposal that would be
 13 great for habitat and terrible for flood control,
 14 something like that.
 15 MR. PHIPPS: What we're doing in the
 16 review panels, that will be their responsibility.
 17 MR. HILDEBRAND: What people on the review
 18 panel who are worried about flood control. To use my
 19 example.
 20 MR. PHIPPS: One of the criteria of the
 21 review panel is consistency with other CalFed policies
 22 and objectives. So flood control levee stability, it
 23 would have to be consistent with that. So we'll score
 24 proposals for consistency. So we'll be using CalFed
 25 staff to evaluate that.
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1 MR. IZMIRIAN: Under identified gaps, I
 2 assume that's gaps between proposals you've received and
 3 identified needs for projects? If you when you find
 4 these gaps, what will you do then?
 5 MR. PHIPPS: That would be the focus -- If
 6 we do have gaps in proposals not coming in to be able to
 7 fill what we believe are needs, that would be input to
 8 the subsequent round of RFPs. We're expecting another
 9 RFP round probably in early January and we'd probably
 10 take a more focused approach on that RFP round to
 11 specifically fill in those gaps.
 12 MS. McPEAK: Lester.
 13 MR. SNOW: I'd like to add a little to
 14 that in terms of the gaps. There's also a concept if you
 15 go back to some of the material we put together on the
 16 round table process, we had a term called directed
 17 programs. That would be where we go through an effort
 18 like this and there's something that needs to take place,
 19 you don't get RFPs and maybe you just don't have the
 20 people to do, if you actually direct somebody to go do
 21 it. Or you simply need it done.
 22 Maybe determine you need additional
 23 habitat restored right next to a wildlife refuge. Rather
 24 than fishing for RFPs for somebody to do it, you simply
 25 say go go expand that refuge and add 300 acres to it. It
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1 MR. HILDEBRAND: Are these proposals all
 2 in the delta or some of them upstream?
 3 MR. PHIPPS: I expect many of them will be
 4 upstream as well.
 5 MR. HILDEBRAND: So it may not be just a
 6 matter of levee preservation, it would be a matter of
 7 whether the capacity of the runway as being impaired or
 8 not. Just to continue with that example. I don't mean
 9 to make that an element issue.
 10 MR. PHIPPS: One of the other things is
 11 even though a project is approved it still has to go
 12 through NEPA-CEQA. If there is an impact on the upstream
 13 flood plain, that would be -- the opportunity would be to
 14 go through the NEPA-CEQA and comment on that at that
 15 time. That is the other opportunity.
 16 MR. HILDEBRAND: Are they going to go
 17 through a full program or just slap out a fonzy some
 18 weekend and go ahead and do it?
 19 MR. PHIPPS: All these projects will be
 20 required to comply with all the laws and regulations.
 21 Now I would hope they would be adequate to cover any of
 22 your concerns and any other public concerns.
 23 MR. HILDEBRAND: Well I have no confidence
 24 in that.
 25 MS. McPEAK: Richard and then Stewart.
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1 would just be one example. So I think that's something
 2 that you'll see us try to do in the next round is have a
 3 category of directed programs to cover those kinds of
 4 issues.
 5 MS. McPEAK: Stuart.
 6 MR. PYLE: What do you do to coordinate or
 7 make sure you're not tripping over other programs going
 8 ahead under the FRP category three, et cetera.
 9 MR. PHIPPS: That is my next flowchart.
 10 Great timing. One of the things and this has been
 11 especially my involvement because I've been involved with
 12 the CVPIA on behalf of the stakeholders is finding a way
 13 to coordinate and make sure that decisions are made
 14 almost jointly.
 15 So what we're talking about here is we
 16 have an integration panel that we're going to be using as
 17 part of this RFP process. We've been talking, and both
 18 Lester and Roger are supportive of that same integration
 19 panel that would be make decision on the category three
 20 RFP could be making the decision on the CVPIA projects.
 21 Those projects are directed programs so it
 22 really helps what Lester was talking about in terms of if
 23 there's a gap from the proposals we can use CVPIA to go
 24 out and say we need to fill in this.
 25 We're going to be coordinating and we'll
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1 be reviewing the proposals together with CVPIA.
 2 MS. McPEAK: Go ahead, Stuart. Because I
 3 have some questions on this too.
 4 MR. PYLE: Who makes the final decisions
 5 on the programs?
 6 MR. PHIPPS: CalFed management, right?
 7 MR. SNOW: If I could give first the most
 8 legal answer to it and that would be under Prop 204, the
 9 responsibility for administering and distributing the
 10 funds under category three is the secretary for
 11 resources.
 12 The process that has been developed is
 13 that the secretary of resources will receive a
 14 recommendation from CalFed management. CalFed management
 15 will have received a recommendation from the round table
 16 and BDAC.
 17 It's that type of buildi-n, but the
 18 ultimate responsibility lies with the secretary of
 19 resources. And under the current language of the
 20 appropriation on the federal side the responsibility lies
 21 with the secretary of interior and we have envisioned a
 22 similar process there.
 23 MS. McPEAK: Could I follow-up on Stuart's
 24 question about the coordination with all the other
 25 efforts and actually ask a question going back to the
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1 monies.
 2 Now there may also be projects that come
 3 into category three that may not make the cut. We may
 4 have so many good projects we can't fund them all under
 5 category three. That then would be another opportunity
 6 to have those projects looked at see if they neat goals
 7 of CVPIA and we could fully fund some of those under the
 8 anatomous fish program.
 9 The point here that I think we're trying
 10 to work out with Jeff and others is to get this dialogue
 11 in communication and coordination going so we're
 12 essentially working off one ecosystem sheet as we can
 13 make the decisions.
 14 But there is CVPIA money that's already
 15 been collected that I imagine will be committed in this
 16 first round on category three. And then following rounds
 17 will have the same thing.
 18 MS. McPEAK: Is 14 million lost, can it
 19 been retrieved?
 20 MR. PATTERSON: The 14 million discussion
 21 all has to do with '98 funding. The 14 million really
 22 deals with whether or not we should set aside at this
 23 time 14 million dollars for future dry year acquisitions.
 24 It's really that activity that if we don't
 25 get the money it's foregone at this time. Not other on
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1 earlier discussion that Tom had with Jason over 14
 2 million but I heard that there's something on the order
 3 of perhaps 30, 40 million in the restoration fund yet to
 4 be obligated.
 5 Tell me how this can be done quickly. We
 6 may have several potential projects that both are
 7 triggered by or proposed through if RFP process or
 8 suggest themselves because of the RFP process where they
 9 are directed funds, it you know seems just almost
 10 incomprehensible that money will have been collected from
 11 CVP users and then sort of go into the whole of the
 12 federal government and not be credited back to the
 13 environment. What can be done here? Quickly. By the
 14 end of the fiscal year. I guess that's a trigger point.
 15 Lester then or Roger.
 16 MR. PATTERSON: This is in phases. There
 17 have been collections made into the restoration fund and
 18 I would expect, as we saw last year, some of the
 19 proposals that come in on category three will have as
 20 part of their funding package both CVPIA funding and a
 21 request for category three funding.
 22 We've had several projects in the past
 23 that have been funded jointly. So part of this
 24 integration activity would be to get sign-off from those
 25 of us in interior that have CVPIA for those cost share
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1 the ground habitat kind of things in '98. That's the
 2 discussion that's going on with the committees. And
 3 whether it's lost or not we don't know yet.
 4 MS. McPEAK: Really, I actually thought 14
 5 million had already been collected.
 6 MR. PATTERSON: This is 1998. No, the 14
 7 million Jason and Tom were talking about this morning is
 8 a proposed cut in the '98 appropriations that would be
 9 collected in the '98 water year. Starts in March. Okay?
 10 So it's not' cut in '97 which we're in
 11 now. That money has already been appropriated, has been
 12 built into the water and power rates and is being
 13 collected this year. It's a decision on 1998.
 14 MS. McPEAK: I didn't understand it that
 15 way. Tom.
 16 MR. GRAFF: I haven't figured out this 14
 17 million yet, but isn't it the case that 14 million is
 18 being carried over from '97 to '98 and the rationale, is hey,
 19 that sounding on the part of the appropriators, is hey,
 20 we've got the 14 million from last year so -- which
 21 wasn't really authorized so we're cutting 14 million out
 22 of '98.
 23 MR. PATTERSON: But that 14 million would
 24 then be to implement the program in '98 that was proposed
 25 and you would then not have 14 million set aside for
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1 acquisition. That would be the net effect for '98.
 2 You carry it over because it's available
 3 in '97, spend it on what you had planned to do in '98,
 4 net result, you don't have the set aside money.
 5 MS. BORGONOVO: So you don't have the
 6 reserve.
 7 MR. PATTERSON: Right. You wouldn't have
 8 the 14 million in this water acquisition reserve. That
 9 would be the net effect.
 10 MS. BORGONOVO: Long-range planning.
 11 MR. GRAFF: You've got 14 million going
 12 over to '98 that's set aside. The appropriators are
 13 saying you didn't properly tell us about that, so we're
 14 going to take that money, spend it on the rest of the
 15 CVPIA function, and we're going to deduct 14 million from
 16 the '98 appropriation that otherwise would have been set
 17 aside for the drought reserve.
 18 MS. McPEAK: If they do that then the CVP
 19 users are saying, the water agencies are saying, then
 20 don't collect that because you're not going to allow it
 21 to be spent on any CVPIA purpose.
 22 MR. GRAFF: They haven't quite said it
 23 yet, but they are threatening to say it.
 24 MS. McPEAK: Unless we can -- they are
 25 saying if that's the position of congress then don't
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1 wanting to coordinate with Four Pumps, Tracy, also
 2 Nitwiff and some of the work that they're doing at grant
 3 programs because again, we all have this common ecosystem
 4 that we're trying to work to and the purpose of this
 5 program is to coordinate. And I won't go through these
 6 things but these are the kinds of things we're trying to
 7 coordinate.
 8 We're also going to be setting up -- well,
 9 we've already set up a time to meet with some of the key
 10 players in terms of, okay, this is about funding, what
 11 about coordination and some of the implementation
 12 activities, some of the reporting, the data base, the
 13 monitoring, how can we better coordinate.
 14 I know that's part of the ERPP program as
 15 well. We're just trying to get a head start and having
 16 that dialogue now to help the ERPP with that kind of
 17 coordination as well.
 18 MS. McPEAK: Any further questions for
 19 Jeff? The bottom line is try to coordinate all this
 20 Lester. Okay. Then we're onto work group reports. We
 21 have first up finance Eric.
 22 MR. LANDOWSKI: I submitted a public
 23 comment card.
 24 MS. McPEAK: I know that. I'm sorry, you
 25 are? Howard Landowski with the Bait Fishing Alliance.
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1 collect it, but if we can figure out how to use it, that
 2 I thought Jason answered my question that they would be
 3 cooperative.
 4 MR. GRAFF: You're right on the second
 5 point. On the first point we are trying to persuade them
 6 that it would be a mistake to try to not have the federal
 7 government collect the money anyway because from an
 8 overall point of view assuming -- congress is going to
 9 almost surely appropriate 50 million additional money in
 10 taxpayer dollars to California for environmental
 11 purposes.
 12 So there's -- you could view that 14
 13 million as being part of that 50 million to 120 million
 14 contribution, and it would be viewed I think in the
 15 public's terms if they get the 14 million back as
 16 substituting public money for user fee mean which would
 17 be a big mistake.
 18 I don't think ultimately the public will
 19 buy that. Particularly if we're looking at a long term
 20 financing package that's going to have all these
 21 elements: State, federal, and user.
 22 MS. McPEAK: Further comments on this
 23 presentation?
 24 MR. PHIPPS: Let me just add one thing.
 25 We've been talking about CVPIA, but we definitely are
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1 MS. McPEAK: What is your -- are you on
 2 this matter? Okay. I'm sorry. Very good.
 3 MR. LANDOWSKI: My concern is that the
 4 handing out this money 5 million dollars for acquisition
 5 as the staff person alluded to essentially without any
 6 public exposure, because the public won't be allowed to
 7 see what the proposal is until it's been approved,
 8 essentially prejudices the NEPA-CEQA process.
 9 These -- part of NEPA-CEQA is a public
 10 disclosure before a decision is made. And if you decide
 11 to spend 5 million dollars say buy land or whatever, how
 12 do you know where the land's going to be bought, how can
 13 you comment on it, and once the money's given out the dye
 14 is sort of cast.
 15 The other concern is that the answer to
 16 that is whatever is going to be done with the 70 million
 17 dollars is covered because it's common to all
 18 alternatives. But those alternatives have not been
 19 revealed to the public, so we don't know what those
 20 alternatives are exactly going to be. And also those
 21 alternatives could vary based on your decision where you
 22 put these pipelines, where you put these canals. That's
 23 going to decide where you're going to need to restore
 24 habitat, et cetera.
 25 So I would encourage this group, and I
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1 kind of share the same concern with the source county
 2 water users, the people go out and fish and use the
 3 delta, that a lot of this habitat restoration money will
 4 be used to restore habitat in ways that exclude the local
 5 people from enjoying traditional local uses that have
 6 occurred for years and years.

7 And that's a big concern for a lot of
 8 people, particularly minorities, people who just go out
 9 and bank fish, bait fish. I know it sounds like a small
 10 concern, but it is a big concern to those people who use
 11 the delta.

12 And I think that the proposition 204 does
 13 not specify when or how this money is going to be spent,
 14 it only says CalFed shall administer these funds.
 15 There's no driving force to say you have to spend it
 16 before do you some type of adequate exposure or NEPA-CEQA
 17 analysis and just say we'll can out the money and then
 18 comply with CEQA seems to be the cart before the horse.

19 MS. McPEAK: Thank you, Mr. Landowski.
 20 Does anybody want to ask a question? Lester, do you want
 21 to comment on the process?

22 MR. SNOW: I guess I'll address the
 23 NEPA-CEQA issue the whole category three program is
 24 premised on that either NEPA-CEQA documentation already
 25 exists as a proposal has been submitted to us or first
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1 gaining perspective as we go around the loop.

2 Basically the approach we're taking on the
 3 finance is really two fold. One is ultimately we want to
 4 work to the point where we're developing a strategy for
 5 in fact creating a financial mechanisms for funding the
 6 program that we're putting together.

7 In order to do that there has to be an
 8 allocation of those costs to various beneficiaries as
 9 well as general public. And so the first part of our
 10 efforts have been really focused on the cost allocation
 11 approach.

12 The general consensus from the start has
 13 been that the costs allocation in some ways should be
 14 related to the benefits received and to the beneficiaries
 15 and therefore the identification of what the benefits of
 16 each of these actions or facilities are as well as who
 17 the beneficiaries are becomes an important starting
 18 point.

19 From that the proportional share of the
 20 benefit needs to be identified and then cost allocated
 21 according to that proportional share of benefit.

22 As you can imagine, that can get to be
 23 pretty controversial and also get to be pretty
 24 complicated. I'll get back to that in a minute as to
 25 exactly what we're doing with that.
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1 step upon receiving an award they must complete NEPA-CEQA
 2 documentation.

3 So there will be compliance on all the
 4 projects that are funded. And there is no implication
 5 that because of a CalFed process they don't need to
 6 comply with either the state or federal environmental
 7 laws. That will happen and NEPA-CEQA both require public
 8 processes.

9 Our obviously our preference is to define
 10 projects that have already gone through that, already
 11 have strong local support, and therefore there's quicker
 12 implementation.

13 But where projects are submitted and have
 14 not gone through that then there will be a planning phase
 15 that includes all the necessary documentation.

16 MS. McPEAK: All right. I believe at this
 17 point we are ready to move to the reports from the work
 18 groups. Then we'll pick up the rest of the public
 19 comments requests that were submitted. Eric, on finance.

20 MR. HASSELTINE: The finance work group
 21 has been meeting on a monthly basis, although you haven't
 22 had a report for two or three meetings because of time
 23 constraints.

24 I think we've been through a process of
 25 sort of circling the issue a number of different ways,
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1 Having been through that at one point a
 2 few months ago we decided the only way we were really
 3 going to get a handle on this is try to take the case
 4 studies similar to what the assurances group was doing
 5 and try to work through at least a portion of that in an
 6 effort to sort of see how this idea of identifying
 7 benefits and beneficiaries and thereby allocating cost
 8 would really work.

9 And before we really had come to grips
 10 with that it was decided that because of the more general
 11 nature of the phase two approach and where we were in the
 12 overall program that it might be a little premature to
 13 start working detailed cost analyses of some hypothetical
 14 solution which may or may not relate to the actual work
 15 of the overall program.

16 And in an effort not to provide any
 17 confusion or misleading anyone involved, we decided to
 18 back off the case study at least temporarily and to work
 19 a little bit harder and longer on development of actual
 20 principles. We call them financial principles. What
 21 they are are actually sort of the tools that we want to
 22 use to apply to the preferred alternative in order to
 23 develop the financing program.

24 And to a great extent these are simply the
 25 financial equivalent of the solution principles that
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1 we're applying to the overall program. Things like
 2 affordability, implementability, fairness or equity.
 3 That set of principles.
 4 We also felt that this was -- this might
 5 be a better way to start than simply jump into a case
 6 study because of, as you know, as you've seen to a
 7 certain extent today and in the past here at the table,
 8 we're all coming from different directions. There are a
 9 number of different agendas represented here.
 10 The processes has gone remarkably well
 11 despite that. Mainly because everybody has agreed to
 12 work together to set a foundation and develop the bases
 13 on which we're going to proceed with this overall
 14 program. And we decided that this was a kind of thing we
 15 also wanted to create within the whole financial
 16 strategy.
 17 In other words, we wanted to have a
 18 foundation for an agreement as to how we were actually
 19 going to work through the financial process and
 20 structuring of the financial strategy as opposed to
 21 jumping right in and having people essentially staking
 22 out positions on the financial issues. Because this is
 23 obviously going to be very, very controversial when it
 24 comes down to who's going to pay for what.
 25 We've been working to develop a set of
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1 reach some degree of acceptability with which everybody
 2 feels comfortable.
 3 So we're looking at -- I'm going to speak
 4 a little bit more about that in a moment, too. In
 5 working through these criteria and looking for a way to
 6 get started on this, another issue has arisen and that's
 7 the concept of a financial baseline. And that is we
 8 recognize people are already paying for their water and
 9 certain programs are already being funded which have
 10 applicability to the CalFed program and therefore what is
 11 really the starting point for this.
 12 In that we've gotten into a pretty
 13 substantial debate. There's one school of thought that
 14 feels that almost everything that needs to be done with
 15 the delta represents mitigation for past activities an
 16 past actions taken which have affected the delta. There
 17 is an opposing point of view that indicates that we --
 18 basically the delta is what it is today because of
 19 decisions that have been made over time through processes
 20 that were considered appropriate at the time they were
 21 made. In retrospect now, some of that perhaps was not
 22 the wisest course. But that we've got to go from what
 23 the conditions are today to whatever our goals and
 24 objectives are for the overall program in terms of
 25 restoration of the delta and therefore, all the actions
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1 criteria by which we can develop the cost allocation
 2 methodology. And to that end we also are getting some
 3 significant help from, number one, Craig Strow at the
 4 Bureau of Reclamation and Dennis O'Connor at the
 5 California Bureau of Research. And both of those
 6 gentlemen are very well qualified in this field and have
 7 offered a lot to our working group and are working right
 8 now on cost allocation methodology.
 9 Craig is concentrating more conventional
 10 approaches, the type of things that have been used in the
 11 past with the state water program and variations thereof.
 12 Dennis has been giving considerable
 13 attention and thought to some of the more innovative
 14 methods which can be set to be pretty academic in their
 15 development. And it remains to be seen whether or not
 16 that kind of detail and complication will really be
 17 beneficial to trying to work out this kind of strategy.
 18 And we're also looking at sort of a broad
 19 perspective in which we simply try to set forth a logical
 20 approach to how one might split out the cost, not
 21 necessarily based on any real substantial analysis, but a
 22 more generalized approach by which we can get to sort of
 23 an approximate answer quickly and then proceed with what
 24 we think is going to be the end activity anyway which is
 25 basically a negotiation amongst all affected parties to
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1 that are taken are -- can be termed as an enhancement.
 2 So the whole concept of all mitigation or
 3 all enhancement or somewhere in the middle is before us
 4 at the moment and represents not only a controversial but
 5 but a difficult subject to address in terms of
 6 identification of really who those people are who
 7 represent the enhancement financiers and who represents
 8 the mitigation financiers and how -- if we really should
 9 even try to find the point at which we feel that that
 10 balance lies.
 11 I want to say some more about that in a
 12 moment. So we're going to have some slides here, the
 13 finance group has caught up with everybody else and taken
 14 advantage of the graphics-are-us techniques we have here
 15 in BDAC. And we'll build up to the more exotic ones
 16 here.
 17 So on the basic policy issues that we're
 18 looking at here, there's the cost allocation approach,
 19 there's the echo system cost baseline, there's the
 20 concept of financial coordination or crediting, having do
 21 with who the payees are and what combinations are going
 22 to be needed and who gets credit for what. Both in-lieu
 23 crediting, actions taken in lieu of payments and/or
 24 payments that are currently being made and how much
 25 credit will be given to them for the program that will be
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1 adopted.
2 Needless to say there's going to be a
3 necessity for some new revenue tools. I sometime ago you
4 folks may recall that the California business round
5 table, chamber of commerce, and farm bureau, and
6 manufacturers association financed a booklet, in fact it
7 was over a year ago now, financing options for water
8 related infrastructure in California. That lays out some
9 very good thinking on new revenue tools. And that and
10 other sources will be used as we get to the point
11 addressing that.

12 Then a broad inclusion of participants.
13 Meaning that it's going to be essential that we try to
14 identify everybody who in one way or another either
15 benefits or has an impact on what's going in the delta.
16 And that they will be expected to participate in the
17 financial strategy for implementation of the solution.

18 So the next slide. Basically then in
19 terms of setting forth cost allocation the way we've
20 structured these slides is to look at those areas where
21 we have agreement, and there seems to be consensus on
22 areas that still need to be worked out. And I don't know
23 if it's really disagreement, but it's issues at which no
24 agreement as has been reached. And I think the other
25 slides will indicate that more clearly.

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1 ecosystem cost baseline, and here we have basically the
2 concept of stable ERPP funding. We also are pursuing
3 setting the baseline. We are considering what we call
4 environmental price signal in the water cost, indicating
5 that basically we want to reflect the fact that everybody
6 is going to be paying something to restore the
7 environment and that basically this needs to be a concept
8 that everybody understand from the beginning.

9 And we basically agree that whatever
10 aspect of this is allocated to the urban water users and
11 agriculture water users has to be affordable within the
12 economics that affect those particular people.

13 We get into an interesting debate here in
14 terms of this funding as to whether or not in terms of
15 the public funding, that is the money we get from the
16 state and federal governments which basically comes from
17 peoples tax money or the urban water which basically
18 comes from peoples water bills or the water costs
19 which basically comes from what people spend at the
20 grocery store and clothing store to some extent. But
21 these are all the same people.

22 So we sometimes I think need to take a
23 little bit broader perspective and indicate we understand
24 that despite the fact that we're being very -- we're
25 setting up very discretely different funding groups, in

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1 We've agreed that basically cost
2 allocation will be on the basis of benefits, that we're
3 dividing costs at least in a macro level between you
4 might say public/private. Here we use public versus user
5 concepts. It's really a public tends to be basically
6 state and federal funding. User tends to be agriculture,
7 urban, recreational users.

8 Allocation methodology, which I indicated
9 we've that agreed we need to work that out. We haven't
10 chosen exactly which one that will be yet, that's why
11 that appears first under disagreement.

12 We have not yet come grips with the whole
13 idea of ability to pay. We can work through and try to
14 identify all the benefits and the beneficiaries and
15 therefore allocate the cost to them and find out that
16 some of those beneficiaries in fact do not have the
17 ability to pay what that calculated cost might be.

18 And so there's going to necessarily be
19 some sort of consideration given to how workable this
20 strategy is in the end. And ability to pay will be one
21 of those criteria. Dynamic or fixed allocation basically
22 has to do with whether or not it would vary according to
23 factors or in fact it would always be exactly some set
24 amount or percentage.

The next one gets to the issue of the
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1 the end it's all the people of California that end up
2 paying the bill in one way or another and it simply
3 becomes a point at which you're not sure how much detail
4 is really necessary in terms of that division of cost
5 amongst those categories.

6 The disagreement, sort of along that same
7 line at the moment and again it's more lack of agreement,
8 is whether or not we really need a fixed baseline.
9 Whether or not we can simply come up with some sort of
10 strategy that says this is what the program says we're
11 going to try to do, this is how we think it's going to be
12 done and this is how we recommend it be funded. Based on
13 some sort of logical approach to a division of funding
14 amongst the affected parties, and is there a way to get
15 to at least a proposal that has some merit that can be
16 put on the negotiating table and the various parties can
17 then decide whether or not it's acceptable and come to a
18 conclusion.

19 If in fact that can be done there does not
20 need to be a fixed well-defined base baseline. There
21 does not need to be a detailed calculation of benefits
22 and beneficiaries. It's simply I think an attempt to
23 shortcut the process and come to grips with the real
24 problem which is basically how much people are willing to
25 pay for what they are going to get.

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1 Which I think is some of what we were
2 getting into in our previous discussion today in terms of
3 what are really the characteristics of the various
4 alternatives and what will be the characteristics of the
5 final preferred alternative be and how much is that
6 really worth to people. How much value do they think
7 they are really getting out of the program that is
8 described.

9 A lot of that is obviously very subjective
10 and it's going to be very controversial, which I believe
11 personally argues in favor of not trying to go overboard
12 on the analytical complexity.

13 Again, if we decide to go ahead with the
14 fixed baseline, then what should that be? Is this -- are
15 we saying that until we get to some certain level of
16 environmental restoration that perhaps represents a
17 environmental situation that existed in the past that all
18 of the financing has to be done sort of from mitigation
19 sources, which is another way of saying user sources, or
20 is it simply to get to a level or the objectives that are
21 set forth in the environmental restoration program which
22 may be a level which really never existed before but is
23 now what we think the objective we all agree is where we
24 ought to be going. Is that the baseline that we're
25 fixing and indicating that the difference between where
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1 not gotten to yet, which is the which of those ongoing
2 expenditures will in fact be credited and how much? And
3 the starting date as indicated. But that's stuff to be
4 worked on still.

5 So then next we recognize that there is a
6 need here to enlarge upon or be creative about the way in
7 which this gets financed because we already indicated
8 people are already paying for the water they are using in
9 this state through the system that now exists, and so
10 there's pretty broad agreement that somehow we're going
11 to have to have some sort of statewide financing program
12 that will either include GO bonding or statewide
13 alternative similar to that.

14 Other revenue tools that also includes
15 people who currently are not paying for the water and I
16 guess the obvious application there is the upstream
17 diversions. And perhaps there's others that I am not
18 thinking of at the moment.

19 But basically anybody who is involved in
20 the water issues at all that have some impact on the
21 delta either by what they are doing or by what would
22 happen if they weren't doing it, I think then precedent
23 has been set for that at least in the financing program
24 that was laid out in 1930 as to who should be involved in
25 the financial solution here and who shouldn't be.
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1 we are now and that is mitigation or is it enhancement.

2 And the other is, and it gets into the
3 sort of the next slide. The other issue is there are
4 already ongoing programs that have been discussed to such
5 as the restoration fund out of the CVPIA where people are
6 paying into a program designed to do ecosystem
7 restoration which in fact will be consistent with and a
8 part of the CalFed program and therefore what kind of
9 credit to do people get for that. What kind of credit do
10 people get for the category three contributions that
11 everybody is familiar with.

12 And the whole concept here is not just the
13 fact that these are going to be ongoing sources of funds
14 that need to be credited against whatever the obligation
15 is for the various parties in the financing equation, but
16 also again getting back to a slightly different or
17 corollary of the whole baseline concept of where do we
18 start. Because some people have already paid money into
19 that.

20 So do we bring everybody else up to that
21 level in order to get started and so there's an
22 adjustment sort of the initial conditions of this as to
23 how to give people proper credit for what's already been
24 done.

25 Which is then the next point which we've
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1 Of course the details of that then are
2 exactly what we don't have yet. We've simply identified
3 that this is the kind of thing we need to look at. And
4 how that's going to be worked out, we don't yet know. A
5 lot of that will become clearer depending how we identify
6 beneficiaries.

7 And in sort of the I think further
8 consideration of that is on the next slide which talks
9 about broad inclusion of participants. And basically
10 we're indicating that everybody who participates in the
11 Bay-Delta system one way or another should also have to
12 participate financially. And equitably. And the big
13 question not yet addressed is who is that?

14 Then the master piece of our graphic arts,
15 we've laid out for you a little chart, is in terms of the
16 long-term funding solution, on the left are the stack of
17 the various categories representing the components of the
18 preferred alternative when we finally get it. Those then
19 are addressed by a combination of public funding and user
20 funding.

21 And breaking those out, the federal and
22 state comprise the public, the urban, agriculture, delta
23 recreation, and fisheries comprise the users. These are
24 not necessarily exclusive lists. They are what we could
25 think of at the moment. Then the types of funding
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1 mechanism and types of sources again not exclusive.
2 Appropriations from the federal government
3 such as what we've discussed today, state funds such as
4 Prop 204 we've discussed today such as GO bonding, which
5 of course was 204, but other legislative revenue sources
6 that may be created. Urban areas, possibly revenue bonds
7 or fees and charges. Also that would apply to
8 agricultural. Assessment in the delta itself, access
9 fees, license fees, permit fees, et cetera for recreation
10 and fisheries.

11 So this is sort of in a very, very macro
12 way how we see the long-term financial strategy evolving,
13 and as I said, how we get from the left side to the right
14 side is going to be a fairly complicated process but
15 depending on which of the cost allocation methodologies
16 we decide to use.

17 So that sort of I think sums up where
18 we've been in the last few months in the finance work
19 group. Rosemary's here and Roberta and David Guy. Tom
20 might have left. Did he leave?

21 Those are the other members of the -- and
22 Bob Rabb who is not here today -- those are the BDAC
23 members who serve on the committee and we, as I indicated
24 are very fortunate to have a number of other
25 professionals who attend our meetings regularly and
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1 last graph that there are -- you have six elements on the
2 left-hand side, you've got either user or public funds,
3 and even assuming that A, a baseline is established and
4 you could you quantify the baseline, that is in how the
5 environmentalists would see a baseline, can the committee
6 take those six elements and assign what is the relative
7 share of public versus user responsibility. Against
8 conveyance storage, ecosystem, water quality, water use
9 efficiency and system integrity. On increments of core
10 tiles. You have 25 percent.

11 MS. BORGONOVO: First baseline.
12 MS. McPEAK: You assume the baseline's
13 there. Assume the baseline is there. And it's your
14 baseline. I guess what I'm suggesting to everyone
15 because I'm frustrated with this particular -- with many
16 issues, but this is one among them in terms of the time
17 it's taking, and it is very much a chicken and egg.

18 We can't do a proposal because we don't
19 have a solution. Or we don't have an alternative. And I
20 don't think we want to get into that anyway because that
21 might be premature. But in terms of relative cost share,
22 I could say what I think is the split. Assuming the
23 baseline. I think almost everyone else could. I think
24 that the group has to get into something beyond the
25 theory.

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1 assist us and without whose input we would probably be
2 floundering worse than we are.

3 But it's going to be a difficult issue and
4 until I think the program begins to get a little more
5 definition and we begin to flesh out some of the
6 consideration, such as we discussed today, it's really
7 going to be hard to start rest wrestling with the
8 financial implications and therefore the whole idea of
9 who pays for what. So that concludes our report.

10 MS. McPEAK: Thank you. Are there further
11 comments from members of the work group or questions?
12 Roberta.

13 MS. BORGONOVO: I will say settling the
14 baseline question is really very important to the
15 environmental community. I think that until that's
16 settled there really isn't agreement on moving ahead on
17 the benefits-based approach and there won't be agreement
18 on applying the financial criteria. So we see that as a
19 key and we did begin our discussion at our last meeting
20 so I look forward to that being settled.

21 MS. McPEAK: Are there further comments?

22 MR. HASSELTINE: Any advice?

23 MS. McPEAK: I have a suggestion. I think
24 that it actually goes to the baseline question
25 conceptually. And I would suggest if you put up that
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1 MS. BORGONOVO: I think that we all did
2 want a case study. We were willing to suspend the
3 principles and then see what was out there and try to
4 apply them. But we haven't moved that way, so all I can
5 say is we still think the baseline is absolutely key and
6 we just have to work through it.

7 And we really haven't had extended
8 discussions, but I think Zack did a good job putting up
9 the different points of view, and there are very widely
10 differing points of view at this point. Because we
11 really haven't talked about them.

12 MS. McPEAK: Okay. I'm sure it's more
13 complicated than I view it. Any further comments on
14 this?

15 MR. HASSELTINE: You can say it was
16 complicated if you want to make a motion on how it was
17 split up.

18 MS. McPEAK: I'll get on. I will. You
19 can respond to it.

20 MS. BORGONOVO: There have been
21 suggestions out put out there, and maybe we should have
22 taken those suggestions and done that also but we
23 haven't.

24 MS. McPEAK: It is complicated. I'm not
25 trying to deny that. I am trying to -- I was just
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1 suggesting a couple of approaches to breaking through
2 the -- what seems to be somewhat of a paralysis over the
3 complexity by trying to get a dialogue around the
4 relative split of public versus users on those six
5 elements as you would all view it. That would tend to
6 begin to define what are the different view points at
7 least in contrast. And would probably eluminate the
8 magnitude of the dispute over baseline.

9 MR. HASSELTINE: Well, in terms of this
10 whole cost allocation methodology, I mean we've spent
11 some time trying to work through all of the different
12 approaches to that issue and there's -- you can do it
13 very practically or you can do it academically.

14 We've come down after a lot of discussion
15 to eight basic criteria that need to be addressed in
16 terms of the methodology which are consistent, fair,
17 flexible, inconsistent, realational, reliable, sufficient
18 and understandable -- and without taking time to explain
19 what all those terms mean in this context, we're
20 satisfied with that at the moment.

21 There's also a school of thought that says
22 there only needs to be one criteria, and that's
23 acceptability. What's ever acceptable to all the parties
24 in the end is in fact where we're going to be anyway.

25 No matter what recommendation we come up
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1 visions, and that is to take about 20 million people out
2 of California.

3 You know, when I was boy, as I think I've
4 mentioned before, I enjoyed the meadow larks and open
5 space in the Berkeley Hills and the little creeks that
6 ran all year-round. And who's responsible for that
7 deterioration? It seems is to me it's babies. We just
8 have too much population growth.

9 And I don't think we can go back on that,
10 and it isn't very productive no matter how much I might
11 like to have the Berkeley Hills restored is to where they
12 were, it's not going to happen. And I think these
13 visions here don't face up to the fact that you just
14 can't achieve them collectively with a present population
15 which is continuing to grow.

16 Now we may not like that, but it's
17 continuing to grow anyway. And so it isn't good enough
18 to start blaming somebody else for population growth. I
19 think we're all here, and we most of us have had kids and
20 some of us have had grandchildren. And so I don't have a
21 lot of sympathy with trying to pick some point in time
22 and say that's the baseline.

23 There are twelve times as many people as
24 when I was born. Three times as many as when the CVP
25 went into operation. There are going to be another 20
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1 with it's going to be massaged by CalFed, by the various
2 stakeholders and politicians. And until the final
3 solution is acceptable to enough people that it becomes a
4 reality.

5 Any suggestions people have to avoid a lot
6 of unnecessary detail work and jumping ahead to getting
7 something on the table which is respectable enough to be
8 considered seriously by everybody, would be very much
9 appreciated.

10 We are definitely looking at that
11 possibility, as we indicated on the charts, that we may
12 not need a financial baseline, we may not need to do
13 detailed benefit analysis. We may be able to find a way
14 that has merit and will get us to the negotiating table
15 and --

16 MS. McPEAK: Alex.

17 MR. HILDEBRAND: I assume that this
18 difficulty over the baseline relates to the question of
19 who's responsible for the ecological deterioration and I
20 had intended to ask anyway when we're going to talk about
21 these little volumes we've been getting on ecosystem
22 restoration program.

23 Reading that reaction I get, there's a lot
24 of beautiful visions in there, but the visions don't
25 conclude what seems to be necessary to achieve the
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1 million in two or three decades.

2 So while we should do the best we can in
3 terms of the ecosystem at any given population level, I
4 don't think we ought to dream about going back to some
5 baseline that can't be achieved with the present
6 population.

7 MS. McPEAK: Okay. Let's pick up if we
8 can the comments from Lester on the water transfer work
9 group and then we'll go to comments from the public and
10 adjourn. Lester.

11 MR. SNOW: I'll be brief on the transfer
12 work group and perhaps Roger may want to make a few
13 comments. But as we indicated at the last meeting, we
14 have proceeded to form a transfers work group, we have a
15 date set up for the first meeting which is August 7th.
16 We've proceeded with quite a number of BDAC members that
17 indicated they wanted to participate on that and invited
18 participants to have a balanced approach for a good
19 discussion.

20 I guess the only thing I want to stress to
21 kind of make it clear where we're headed, we have built
22 into our program the assumption of effective and
23 efficient transfers. That's not really an option. I
24 mean it is common to all the alternatives embedded in
25 water use efficiency program that we have transfers, as
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1 we've had discussions here before.
 2 And the reason I stress that is that I've
 3 heard some people indicate an outcome of our work group
 4 would be we don't need transfers, and I want to stress
 5 that's not the case.
 6 When we formed an ecosystem restoration
 7 work group, it wasn't to decide whether we needed
 8 ecosystem restoration, it was to help us develop an
 9 effective and an efficiency program and that's the case
 10 with transfers.
 11 There's a lot of issues surrounding
 12 transfers in terms of third party impacts and
 13 administrative procedures that block transfers and we
 14 need to come up with a good foundational policy that can
 15 lead to improvements to make sure that they function the
 16 way we envision as we look to the future.
 17 Again, that's scheduled for August 7th.
 18 Roger and Tib are co-chairs of that group and I know
 19 we'll have some interesting discussions as we move
 20 forward with that. Roger, do you want to make a few
 21 comments? No?
 22 MS. McPEAK: All right. Will we have back
 23 in September, do you think, Roger, a fairly concrete
 24 result of the August 7th meeting?
 25 MR. STRELOW: Well, it's really hard to
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1 So we're certainly not having to start
 2 afresh on the issue. It's just a matter of how quickly we
 3 can reach consensus on where we want to recommend the
 4 system should go. Whether there's a few simple
 5 administrative changes that could be made that would
 6 satisfy people or whether there may be a need for some
 7 broader reforms.
 8 MS. McPEAK: Thank you, Mary. I failed to
 9 call on the ecosystem restoration work group, I'm sorry.
 10 MS. SELKIRK: I'm captain of my car pool
 11 which is leaving momentarily, so I may ask Dick to take
 12 over on the general report of the work group.
 13 I did want to say briefly that as Alex has
 14 pointed out, that volume one of the ERPP is out. Volumes
 15 two and three are due to be released shortly.
 16 At the release of volume three, a
 17 forty-five day comment period will commence. And Dick
 18 may I have some comments on that. The work group has
 19 been focused primarily on the development of the
 20 scientific review a panel on the plan. And he'll have
 21 detail on that. And I'm sorry I have to leave.
 22 I do think however there's nothing in this
 23 report that can't wait I think for the next -- for the
 24 September meeting. Not a whole lot will have changed in
 25 terms of -- the panel will not have taken place by then
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1 predict how smoothly that's going to go. Obviously we'd
 2 like it to, we think -- the staff's done a good job of
 3 preparation in terms of laying out the key issues that at
 4 least most people foresee will be issues.
 5 I just hope there will be a good spirit of
 6 trying to identify how we can overcome the obstacles and
 7 reach a consensus. It doesn't seem to me it ought to be
 8 all that difficult to find a pretty strong set of
 9 agreements. How fast that's going to happen is hard to
 10 predict though.
 11 MS. McPEAK: I think that's -- you're very
 12 aware so is Lester of the increasing interest and
 13 intensity of interest around this aspect to both convey
 14 to others outside the Bay-Delta BDAC process that water
 15 transfers are in fact a key part of the overall work, and
 16 to be able to articulate some concurrence and recognition
 17 of starting points to not have to go back to square one
 18 as soon as possible.
 19 So to the extent you can accomplish that
 20 and put it out in September is important.
 21 MR. STRELOW: We've thought a lot about
 22 this and there was a joint effort put together as a
 23 result of a bill being introduced, there's a good
 24 background study on the various obstacles. Lay Person's
 25 Guide, I think it's called.
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1 certainly. So I'm wondering when whether we should just
 2 wait.
 3 MR. IZMIRIAN: People are curious about
 4 the status of things. Volume two is supposed to go to
 5 the printer tomorrow. I don't really know how much work
 6 got done today because I've been here, but it's scheduled
 7 to go to the printer tomorrow so it should be released a
 8 week.
 9 Volume three is which is our adoptive
 10 management and phased implementation volume is undergoing
 11 staff review at CalFed. Those comments that are due back
 12 tomorrow. That will require some additional revision,
 13 but we expect being able to put that out in two to three
 14 weeks.
 15 Volume three will be a working draft.
 16 We've pretty much got things together for the facilitated
 17 scientific review program that we're going to conduct.
 18 We expect that to happen in the second or third week of
 19 September. We'll be bringing together a dozen nationwide
 20 experts on ecosystem restoration and folks who are not
 21 directly affiliated with the delta so that we get a fully
 22 independent review.
 23 That will be a four-day process. From
 24 that we expect to get some questions or hopefully a
 25 considerable amount of validation of the assumption and
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1 hypotheses that we're putting forward.
 2 MS. McPEAK: When is that review going to
 3 happen, scientific review, October?
 4 MR. IZMIRIAN: It's my most sincere hope
 5 it is done by the 19th of September. Because I'd like to
 6 take a week off starting about five o'clock that day.
 7 MS. McPEAK: Okay.
 8 MR. HILDEBRAND: When is the BDAC going to
 9 discuss this issue?
 10 MS. McPEAK: That's what I was just
 11 asking. I'm hope -- I'm going to ask that it be
 12 scheduled on the fourth. I think the whole foundation of
 13 everything that we do turns on concurrence around the
 14 environmental restoration program.
 15 And if there's disagreement on what that
 16 says, there is absolutely no other foundation on which to
 17 evaluate alternatives, on which to go forward, at least
 18 that's how I view it. So if we're going -- and we should
 19 have that kind of discussion before the scientific panel
 20 comes in in order to see if there's anything else that we
 21 wish to raise to ask the experts to review instead of
 22 after that. Lester, does that make sense to you?
 23 MR. SNOW: Well, I think we need to
 24 discuss it here at BDAC. I guess in terms of the timing
 25 we have a BEDAC work group that's been working through
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1 4th September.
 2 MR. IZMIRIAN: I would assume your major
 3 interest is in the content of what kinds of questions we
 4 would pose this group? Or his there some other area?
 5 MS. McPEAK: I've read the environmental
 6 restoration program. I happen to personally think it's a
 7 very good piece of work. The questions that go to the
 8 scientific panel I think are of an appropriate item for
 9 review and sign off much as we today have looked at the
 10 step one, step two approach on narrowing alternatives and
 11 on the characteristics.
 12 I am asking -- I don't know there has been
 13 a similar agenda process here with BDAC on the ERPP. As
 14 a very significant threshold review for the whole CalFed
 15 process.
 16 MR. IZMIRIAN: In September we will have
 17 had all three volumes out for public review and comment
 18 for the forty-five day review period. I can't be certain
 19 that that would be concluded by September 4th but a
 20 substantial amount of that review period would have gone
 21 by.
 22 Part of the reason for the scheduling of
 23 the scientific review panel is that we will be able to
 24 present to that panel at least the general flavor of
 25 comments we've got in areas where there might be
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1 the questions for the scientific panel. It would be hard
 2 to change those questions on the 4th and have a
 3 meaningful discussion for the science review panel.
 4 MS. McPEAK: When do you think we should
 5 have some further discussion, and not just hearing a
 6 report but actual deliberation and identification that
 7 there are major issues with it?
 8 MR. IZMIRIAN: The next obvious
 9 opportunity is Thursday of this week at the BDAC
 10 ecosystem group meeting.
 11 MS. McPEAK: That's not the full BDAC, and
 12 that's not going to do it.
 13 MR. SNOW: Well we can have the major
 14 agenda item on this and have the BDAC work group kind of
 15 report what the deliberations have been. I guess maybe
 16 my hesitance in reacting to the thought that we'd have
 17 wholesale changes to ecosystem work program after the
 18 extensive public input and DBAC participation in
 19 developing that, so I'm a little unclear on what the
 20 issues are and how we run them to the ground.
 21 MS. McPEAK: Maybe what we could do, I'm
 22 hearing Alex ask for the opportunity, there maybe others,
 23 on BDAC. Maybe you and Mike and I can discuss how we
 24 approach that. And we'll state here for the record we'll
 25 be looking at how that might be put on the agenda for the
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1 disagreement where we'd like their opinion on and advice
 2 on.
 3 If you find room your schedule for
 4 September 4th, we could provide you with a briefing that
 5 would be a little different than the summary, executive
 6 summary, of the ERPP which has been out now for some
 7 time. And perhaps if people have gotten that comments to
 8 us we could give you a summary of the issues that are
 9 being raised and the concerns that will have to address
 10 in further refinement.
 11 In the absence of doing that sort of early
 12 September, it would be the following BDAC meeting before
 13 we could come back to you and say this is what we've done
 14 and this is what the response was. They're the kind of
 15 things we're proposing to change or refine as a result of
 16 the comments.
 17 MS. McPEAK: Thank you Dick, Lester,
 18 before moving to public comment do you have any other
 19 information on the work groups?
 20 MR. SNOW: No, I don't believe so.
 21 MS. McPEAK: Any other comments from BDAC
 22 members on the work group before picking up the rest of
 23 the public comments? Okay. Then on the ERPP and the
 24 assurances issues, Mr. Landowski.
 25 MR. LANDOWSKI: I'm going to pass comment
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1 to Madam Chairman on the assurances issue because it was
2 an assurances report.
3 On the issue of the ERPP one of my
4 concerns is that under the current plan for category
5 three funding, nonprofit organizations may apply and
6 receive funds to acquire lands in the name of the
7 nonprofit. There is a stipulation that there would be a
8 state easement requirement. But as a member of the
9 public, I'd like that to stipulate a public easement
10 requirement at the bear minimum.
11 In fact I would question giving nonprofits
12 title to lands that utilize public monies to acquire
13 those lands. I think they should be put in public title.
14 Also, the acquisition of land is a low level of NEPA-CEQA
15 clearance. Essentially categorical exclusion.
16 What takes a complex level of NEPA-CEQA
17 clearance is using the land. So it may be that you say
18 well, we cover NEPA-CEQA because we went out and bought
19 the land. That buying the land doesn't mean anything,
20 it's how you use it that counts.
21 The concern is then the traditional social
22 patterns, agricultural lands, unless perhaps they are
23 prime land maybe they receive some special consideration.
24 I would suggest to this body in September
25 when they do review these funding proposals, that they be
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1 going to tell the local people about it after you've
2 submitted it. And that's not even a requirement, that's
3 called a should. You should do that.
4 The reason I'm concerned about all this, I
5 spoke to a staff person from CalFed early on. I asked her
6 about well, you're going to buy land. Are you going to
7 allow public access for fishing. And she said well, no,
8 we're going to follow the Consumnes River pattern, the
9 template from that type of program.
10 Well, that's fine if you like the
11 Consumnes River. I imagine it did have public input but
12 maybe next time we have a little more public access or
13 public easements for fishing and boat take-outs,
14 whatever, so you preserve the character of the delta.
15 The delta is actually an underutilized
16 recreational resource. It's very underutilized. So it
17 has a great capacity to absorb more recreational use.
18 The question is if it's defined as a stressor and not a
19 quote, objective, it becomes something that is something
20 you're trying to diminish, minimize, mitigate, eliminate,
21 avoid. Obviously not encourage.
22 If it's viewed as a objective which is the
23 term you're using now it's an objective, then it's a good
24 thing you want to promote. So until you define your
25 terms and we know where we stand, obviously we don't --
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1 very concerned about acquisition projects in particular.
2 Because they fit in usually to a pattern program where
3 you are making decisions on buying blocks of land with
4 some kind of long-term objective in mind.
5 For instance, you want to just levee
6 setbacks. In order to accomplish that you have to buy
7 the land along a corridor. Okay. Maybe that's a good
8 objective. But that cannot be known by the public or the
9 implications can't be understood until you come out with
10 that proposal. This is where we're going to set the
11 levees back, here's where we're going to leave them
12 alone, protect the current agricultural interest, et
13 cetera.
14 So I would just urge your panel to be very
15 cynical about land acquisition. Also I understand it
16 would be difficult to be cynical because you can't see
17 proposals until it's been decided. I understand that
18 that's the -- I would have suggested in retrospect they
19 made it a grant program because grants are revealed to
20 the public prior to making funding decisions in front of
21 the boards and panels so the public has a chance to
22 comment on the grant proposal.
23 Another thing, local comments or local
24 support is not a requirement for funding under this
25 program. It states that you should explain how you're
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1 we're concerned about what's going to happen to the
2 things right now we take for granted which is going out
3 and fishing any afternoon in a certain spot that be may
4 be gobbled up by some acquisition we don't have a chance
5 to say anything about or doing anything about.
6 MS. McPEAK: Thank you. Nat Bingham.
7 MR. BINGHAM: Good afternoon. My name is
8 Nat Bingham and I'm with the Pacific Coast Federation of
9 Fisherman's Association. I am reminded this afternoon of
10 something my uncle Jonathan Bingham who was a congressman
11 representing the bonds told me once just before I was
12 supposed to testify for the first time before a
13 congressional committee, he said, "Look, don't be
14 discouraged if you go up there and there's all these
15 empty chairs and only a couple members left. It's real
16 important to get on the record.
17 So anyway, with that said, I'd just like
18 to speak to some of the issues that came up today. I'll
19 take my theme from the decision process to the draft
20 preferred alternative, under ecosystem quality on page
21 four you say that export diversions on fisheries could
22 get better or worse. No kidding, folks. They really
23 could.
24 It's not all that bad out there right now.
25 You may have heard from Pietro and Roger. And by the way
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1 I want to thank all of you for what you're doing. It's
 2 really, really important you do this. This is a
 3 tremendously complicated program with a huge range of
 4 committees, all these stakeholders -- and by the way I
 5 just found out what the definition of a stakeholder is.
 6 A stakeholder is somebody who can afford to come to all
 7 these meetings.

8 Unfortunately that doesn't apply to a lot
 9 of folks. It doesn't apply to small farmers and to a lot
 10 of fishermen. And you, the Bay-Delta Advisory Council
 11 are here to represent everybody. All of us. So keep up
 12 the good work you're doing. I just want to thank you for
 13 you.

14 In making your decision about which
 15 alternatives you go for, in terms of the fish I would
 16 really caution you to take a risk averse approach. In
 17 other words, when you're thinking about the fish, don't
 18 do something that's real tricky or something that the
 19 technicians -- like moving the intakes around the real
 20 time monitoring you heard today -- we don't really know
 21 yet today what it is that kills the fish in the delta, we
 22 just know that it happens.

23 We know that if we release this many fish
 24 in the hatchery and then we take a bunch of the same
 25 batch of fish around the delta -- and by the way speaking
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1 loan from the San Diego County Water Authority. He used
 2 to work for us down there. He and Byron Buck, we sent
 3 him up too to come and be our spies. You haven't
 4 realized that yet.

5 But my name is Fred Thompson, and I'm here
 6 today representing the San Diego County Water Authority.
 7 The authority and 24 member agencies are responsible for
 8 providing water to more than 2.6 million people in San
 9 Diego County.

10 On behalf of the authority board of
 11 directors I want to thank you and your committee for
 12 undertaking a difficult task, the development of a
 13 consensus based long-term solution to the Bay-Delta
 14 issues that balances California competing needs. We
 15 support your efforts wholeheartedly. Please, let me tell
 16 you why.

17 San Diego County, as you know, is a
 18 semi-arid region with few local water resources. The
 19 region is almost entirely dependent upon water imported
 20 by the authority and the metropolitan water district from
 21 the Colorado river and the Bay-Delta.

22 The water authority provides upwards to 90
 23 percent of water used in the area. In an effort to
 24 reduce the region's reliance on imported water, the water
 25 authority and its member agencies are putting an
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1 of finances, fishing industry, and the commercial and the
 2 charter boat industry stepped up to the plate over ten
 3 years ago and we have been funding a restoration and
 4 mitigation program in the delta. We paid to truck the
 5 fish around the delta because it's not a very safe place
 6 for fish. That's why we do it.

7 And what I'm here to say today is that I'm
 8 a little worried about a few of the things that I read in
 9 that volume two that are bashing the hatchery program and
 10 saying some things that aren't so nice about it. Fine
 11 and dandy.

12 On the day that we restore the delta to
 13 where it really can nurture the fish as they pass through
 14 both ways, I'll be more than happy to stop paying for the
 15 trucking program. But don't shut the trucking program
 16 down until you're sure you have success. Until you're
 17 sure that whatever alternatives you select and how much
 18 more water you pump, you're getting more fish back.

19 In other words, take it on slow, watch
 20 what you're doing, follow-up and maybe we can have a good
 21 program. Thank you.

22 MS. McPEAK: Thanks, Nat. Fred Thompson
 23 San Diego County Water Authority.

24 MR. THOMPSON: Good afternoon, Madam
 25 Chair, Ladies and Gentlemen, and Lester. Lester's on
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1 aggressive water conservation and recycling program into
 2 effect.

3 Our authority's service area is among the
 4 leaders in the state in the implementation of water
 5 conservation best management practices. San Diego
 6 agencies have also invested 300 million dollars in new
 7 water recycling and brackish ground water desalting
 8 projects and will more than double that investment during
 9 the coming years.

10 These projects, several of which will come
 11 on line this year will produce more than 75,000 acre feet
 12 of new water each year. Accomplishing these steps will
 13 allow the authority and its member agencies to meet
 14 about 25 percent of their water needs with local and
 15 conserved water.

16 But, even with these concerted and
 17 expansive efforts San Diego County will still need to
 18 import 75 percent of its water in the coming years. For
 19 this reason, the availability of reliable, high-quality
 20 water supplies from the Bay-Delta will remain critically
 21 important to the San Diego region.

22 We have a large stake in the success of
 23 the CalFed and our participating in the stakeholder
 24 process through COOA (phonetic) and the ag urban group.
 25 And, yes, we do have enough funds to come up here, and I
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1 hope that I get to address you when you're all together.
 2 And the young fellow that spoke, too. This will go into
 3 the record, I presume.
 4 Our board has adopted principles
 5 supporting the inclusion of water use efficiency
 6 standards as part of the comprehensive Bay-Delta
 7 solution. We expect to remain actively involved in the
 8 stakeholder process and look forward to providing input
 9 once the draft preferred alternative is announced.
 10 While the Bay-Delta is more than 500 miles
 11 away from us, it is vitally important to the San Diego
 12 county economy and to our quality of life. However, I am
 13 also here today to seek your support and blessing in our
 14 effort to buy conserved water from the Imperial
 15 Irrigation District. When our plan for using this
 16 conserved water comes to fruition, we will be less
 17 dependent upon you. We will relieve the pressure you
 18 might feel about water for San Diego County.
 19 And notice, I said might. We want
 20 independence. As we support you, we hope you will
 21 support us in achieving water freedom. Thank you.
 22 MS. McPEAK: Thank you, Mr. Thompson. Ms.
 23 Cole, do you again wish to address the BDAC?
 24 MS. COLE: Some point of clarification on
 25 the assurance minutes. I'll just send something in.
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1 REPORTER'S CERTIFICATE
 2
 3 STATE OF CALIFORNIA }
 4 COUNTY OF SACRAMENTO } ss.
 5
 6 I do hereby certify that the foregoing
 7 transcript was taken by me in shorthand at the time of
 8 the proceedings herein, on the date therein set forth,
 9 and that the foregoing is a full, true and correct
 10 transcript of the proceedings at said time.
 11
 12
 13 Dated: August 2, 1997.
 14
 15
 16 Katherine L. Cardozo, CSR 6344
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1 MS. McPEAK: Thank you. That concludes
 2 the speaker cards we had for public comment. Is there
 3 anyone else we've missed? Okay. Are there any further
 4 comments from members of the Bay-Delta advisory council?
 5 Then we're hereby adjourned until September 4th. Thank
 6 you all for staying.
 7 (Conclusion of proceedings at 4:50 p.m.)
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