

# Governance



## Memorandum

Date: March 10, 1999  
To: BDAC Members  
From: Lester A. Snow  
Executive Director  
Subject: Governance

In late 1998, BDAC directed CALFED staff and the BDAC Governance Work Group to expand their discussions on governance to include the framework for overall CALFED governance in addition to continuing the discussions on ecosystem governance. BDAC was willing to consider a recommendation on an ecosystem entity only if the relationship and distribution of authorities between a CALFED oversight entity and an implementation entity for the ERP was made more clear. (This is also true regarding the relationship between an oversight entity and the other CALFED programs such as water quality, levees, etc).

The BDAC Governance Work Group, at its January and March meetings, discussed the functions of an CALFED oversight entity, the relationship between an oversight entity and the implementation entities, and the functions and options for an ecosystem entity. In addition, a CALFED straw proposal for an interim ecosystem governance structure was presented and discussed.

At the March BDAC meeting, the work group co-chairs will present an update of the governance discussions, identify the stakeholder concerns, and describe the process and schedule for providing a recommendation to BDAC.

CALFED staff are continuing to work with CALFED agencies and stakeholders on the long term governance structures needed to implement the CALFED Program. As indicated in the Phase II Report, CALFED supports the need for an entity to provide coordinated oversight and policy guidance for the CALFED Program.

CALFED is in the process of working with stakeholders and CALFED agencies to identify and then evaluate each of the governance options for CALFED oversight and for the ecosystem program. The evaluation process includes identifying the general issues to

**CALFED Agencies**

**California**  
The Resources Agency  
Department of Fish and Game  
Department of Water Resources  
California Environmental Protection Agency  
State Water Resources Control Board

**Federal**  
Environmental Protection Agency  
Department of the Interior  
Fish and Wildlife Service  
Bureau of Reclamation  
U.S. Army Corps of Engineers

Department of Agriculture  
Natural Resources Conservation Service  
Department of Commerce  
National Marine Fisheries Service

consider when designing a governing structure, identifying the primary functions for the governing structure, identifying the governance options to evaluate, and evaluating the advantages and disadvantages of each option. Attachments 1, 2 and 3 have been developed in coordination with the BDAC Governance Work Group. Attachment 4 is a straw proposal developed by CALFED.

- Attachment 1-- Includes the proposed functions and several options for a CALFED oversight governance structure. The advantages and disadvantages of the oversight governance options have not yet been evaluated.
- Attachment 2-- Includes the proposed principles and functions that should guide the design of an ecosystem governance structure.
- Attachment 3-- Includes brief description and evaluation of the 5 ecosystem governance options:
  - 1) existing governance structure,
  - 2) new federal public corporation or trust ,
  - 3) new private non profit organization,
  - 4) new State/Federal governmental entity,
  - 5) new state entity with federal involvement
- Attachment 4-- Includes a straw proposal for initial actions on ecosystem governance. This proposal is included for your information because it was discussed at the Governance Work Group meeting. However, CALFED is not proceeding with this proposal at this time.

Governance Work Group comments and concerns. At the March work group meeting, the members discussed and commented on the same materials included in this packet. Following is a summary of the primary comments and concerns:

- *Work group Schedule.* The work group set a deadline to report to BDAC at their July meeting with a recommendation on the governance structures for a CALFED oversight and for ecosystem implementation.
- *Functions of an Oversight Entity--* There was disagreement about the level of oversight and control that an oversight entity would have over the implementing entities. Generally, there was support for an oversight entity to coordinate, resolve disputes, balance programs and lead the staged decision making process. The primary area that needs further clarification is the level of control and involvement that the oversight entity would have with each program.

- *Ecosystem Governance Options.* While additional research is needed to answer critical questions, there was preliminary support for Option 4 -- a new State/ Federal Joint Governmental Entity.
- *CALFED Straw proposal.* The work group did not support moving forward at this time with the straw proposal for a 2 year bill to establish a state conservancy. The primary reasons for the opposition to the proposal were that it would prejudice the final selection of an option, would distract from the full evaluation of all options, and there is no urgency to act at this time.