

MAY CONTRACT AMENDMENTS AND INFORMATION

During the past month, substantive issues have arisen on four contracts. The first two discussed below are being moved through the formal amendment process (review and input from the Ecosystem Roundtable and Management Team with a final decision by Policy Group). The remaining two contract issues are being presented as information items; however, the Ecosystem Roundtable is also requested to give input at this time, as staff may need to take action before the next Roundtable meeting.

1. Restoring Ecosystem Integrity in the Northwest Delta

Issue: The Solano County Farmlands and Open Space Foundation was awarded \$244,000 in State Proposition 204 funds to complete a habitat restoration project in the Jepson Prairie. The Foundation had requested \$244,801 in funding; it appears that a clerical error was made when the award was announced. The Foundation has asked that the entire requested amount be appropriated.

Staff recommendation: Restore full funding to this project by increasing the budget by \$801.

2. Effects of Wetlands Restoration on Methyl Mercury Levels

Issue: UC Davis was awarded \$530,617 in State Proposition 204 funds to complete a research project to determine the effect of wetlands restoration on methyl mercury concentrations in water. UCD has an opportunity to purchase a mercury analyzer and requests a budget amendment of \$15,554. Purchase of this machine will allow hundreds more samples to be analyzed at a lower detection limit, leading to more robust result for this project.

Background: This more efficient, semi-automated equipment will help accommodate the large numbers of total mercury analyses that will be generated by this project. Additionally, and perhaps most importantly, it will provide a significantly lower detection level and consistency/accuracy than UCD's manual cold vapor Atomic Absorption techniques, which have been fine tuned as much as possible in the university laboratory. UCD anticipates that some of the more important measures of inter-site mercury bioaccumulation from varied Delta sites may include small, low trophic level organisms that have relatively minute concentrations of mercury. Use of such indicators is often necessary to ensure that the sample in question unambiguously obtained its mercury load at the site where it was collected (and within a given time span). This is in contrast with more easily collected samples such as adult fish which, though containing far higher concentrations, could and typically have, accumulated their body burdens of mercury in numerous, varied locations and across wide spans of time. In order to provide meaningful future wetlands restoration management options, it is critical that UCD is able link the suite of environmental conditions that define each study site to the mercury production and biological uptake in corresponding samples.

Many hundreds of samples of sediment and small benthic organisms are anticipated to be collected and analyzed for mercury in this project. This will be a major component of the work and the detection level and low-concentration accuracy of the analyses will likely be an important consideration. UCD feels that the addition of this capability to the overall project will provide a significant improvement. In addition, the increase in efficiency alone will permit UCD to analyze dramatically more samples than UCD would be able to provide with its current capacity.

The equipment UCD seeks to purchase includes a Perkin Elmer Flow Injection Mercury System (FIMS 100), together with the required Controller Unit, and an Auto Sampler. If purchased new, the cost will be \$23,260. Occasionally, high-quality, reconditioned demonstration units are available of the main FIMS 100 unit and/or the auto sampler unit. The Controller unit must be purchased new. UCD currently has access to a combination of new and reconditioned components that lowers the total price to \$16,644. This may or may not remain an option in future months. Additionally, the project proponents have an agreement with UC Davis administration that the campus will provide a 1/3 match toward the purchase of this equipment. This will lower the CALFED request to \$15,514, and as little as \$11,102 if reconditioned components are available. With high quality mercury analyses typically costing over \$100 per sample, the value of this equipment investment will be recovered with the first 100-150 Delta samples, allowing significantly more samples to be analyzed than originally proposed.

This equipment purchase was not initially budgeted into this project, only because it was instead planned for a larger, statewide CALFED mercury project. Though receiving high commendations, that proposal was not funded in the most recent round but is likely to be supported in some form in future rounds that include a water quality focus. Though the requested equipment will easily pay for itself during the current CALFED Delta project, it is entirely possible that it will also be utilized extensively in additional CALFED and CALFED-related mercury work.

Staff recommendation: Approve the request for additional funds.

3. **South Napa River Wetlands Acquisition and Restoration**

Issue: The Napa County Land Trust was awarded \$1,000,000 in federal funds to buy and restore approximately 115 acres along the Napa River. The original proposal stated that among other proposed properties, the Land Trust would buy the 70-acre Ghisletta property for \$350,000 to \$525,000, depending on the appraised value of the land. The scope of work for the contract now shows that the property price has increased to \$910,000. Based on conversations with the applicant, the increased value is due to the geographic location of the land and its potential use as vineyards. The proposal also states that "in the event that a higher appraised value is forthcoming, we believe that

other revenue sources will be available to absorb the extra cost." Staff have requested that the Land Trust provide written justification for the increased cost of the land, and to show whether other revenue sources are available to make up the shortfall.

Action: Staff are requesting input from the Ecosystem Roundtable on the various options for this proposal. Assuming that there are no other sources of money, is the Ecosystem Roundtable comfortable with revising the scope of this project from acquiring/restoring 115 acres of land to acquiring/restoring 70 acres of land? Would the Ecosystem Roundtable prefer that this project's budget be increased such that approximately 115 acres of land can be purchased? Would the Ecosystem Roundtable prefer that funding be withdrawn?

4. **Irrigation Drainage Water Treatment for Selenium Removal**

Issue: UC Berkeley was awarded \$1,148,326 in federal funds for their proposal to continue operation of the Panoche Drainage District selenium removal demonstration facility. The proposal assumed that state funds would be received for the project; hence, an overhead rate of 10% was used in the budget calculations. Staff have been informed by UCB that if federal funds are used, then the overhead rate becomes 50%. Overhead costs then jump from \$104,000 to \$522,000. Staff are negotiating with the University to lower their federal overhead rate.

Action: Staff are requesting input from the Ecosystem Roundtable on the various options for this proposal. What does the Roundtable consider to be a reasonable overhead rate? If UCB is not able to reduce the overhead rate to this amount, would the Roundtable recommend that (a) the proposal be funded as previously approved, but that the amount of work to be performed be reduced consistent with the increased cost of overhead, or (b) that the budget for this project be increased by the increased amount of overhead, or (c) that funding be withdrawn.

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