



Memorandum

Date: March 29, 2000

To: Ecosystem Roundtable Project Amendment Subcommittee

From: Wendy Halverson Martin

Wendy Halverson Martin

Subject: Requests for Project Amendments

SUMMARY

Two projects have requested a Level 1 amendment, six projects have requested a Level 2 project amendment, and one project has requested a Level 3 amendment. Level 1 amendments do not require Ecosystem Roundtable action, and are included for information.

Level 1 Project Amendments

| Project and Proponent | Change Requested | | | Reason for Amendment |
|---|------------------|--|-------------------------|--|
| | Budget | Scope | Time | |
| South Napa River Wetlands Acquisition and Restoration Program (98-F14) Napa County Land Trust | None | Acquire proposed 68 acre parcel as part of a larger parcel | None | Leverage funds available from FEMA and the Flood Control District. |
| Bear Creek Floodplain Restoration Demonstration Project (SL NWR) (97-B05) US Fish and Wildlife Service | None | None | 9 months (to Sept 2000) | Under-estimated the technical difficulty. |

Six projects have requested a Level 2 project amendment. These amendments require Ecosystem Roundtable and Agency Liaison action.

Level 2 Project Amendments

| Project and Proponent | Change Requested | | | Reason for Amendment |
|--|------------------|-------|---------------------------|----------------------------------|
| | Budget | Scope | Time | |
| Acquisition and Restoration of Refuge Lands (SJR NWR) (97-B04) US Fish and Wildlife Service | None | None | 12 months (to March 2001) | Delays in easement negotiations. |

CALFED Agencies

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

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

Department of Agriculture
Natural Resources Conservation Service
U.S. Forest Service
Department of Commerce
National Marine Fisheries Service
Western Area Power Administration

Level 2 Project Amendments

| Project and Proponent | Change Requested | | | Reason for Amendment |
|---|------------------|--|-------------------------|---|
| | Budget | Scope | Time | |
| Sacramento River Acquisition and Riparian Forest Restoration (97-N03) The Nature Conservancy | None | Increase restoration of 97-N04 property | None | Restoration cost less than anticipated. Savings can be applied to restoring another property. |
| Riparian Corridor Acquisition and Restoration Assessment (99-B12) Bureau of Land Management | None | Reduce scope | None | Changes based on easement negotiations. |
| Twitchell Island Subsidence Reversal Demonstration (98-C01) Dept. of Water Resources | None | None | 12 months (to Dec 2003) | Delays in subcontracts negotiation and approval and six-month delay in approval of receivable authority. |
| Saeltzer Dam Fish Passage (97-M05) Townsend Flat Water Ditch Company | \$100,000 | Redirect money for replacement dam design to permanent diversion removal | None | Townsend Flat and the Bureau of Reclamation have agreed in principle to remove diversion. This funding would go to implementing that agreement. |
| Franks Tract Restoration (97-N12) Moffat and Nichol Engineers, DPR, DWR | \$75,186 | Increase environmental documentation & engineering services | None | In response to a CALFED-requested public meeting, raise finished crest elevation of one or two of the islands to provide recreational uses |

One project has requested a Level 3 project amendment. This amendment requires Ecosystem Roundtable and Agency Liaison action, followed by Policy Group action.

Level 3 Project Amendments

| Project and Proponent | Change Requested | | | Reason for Amendment |
|--|------------------|----------------|------|--|
| | Budget | Scope | Time | |
| Assessment of Ecological and Human Health Impacts of Mercury in the Bay-Delta Watershed (99-B06) San Jose State University Foundation | \$1.467 million | Increase scope | None | Requested changes are based on recommendations from an external expert Scientific Review Committee |

ACTION

Ecosystem Roundtable Subcommittee members and Agency Liaisons are requested to consider the Level 2 and Level 3 amendments consistent with the contract amendment process (attached).

DISCUSSION

The contract amendment process provides for three levels of amendment depending on the nature and extent of the proposed change (budget, time, or scope). The process for these amendments is discussed on the attached page.

Project Amendments

The following projects have requested a project amendment requiring Ecosystem Roundtable subcommittee action, as follows:

1. San Joaquin National Wildlife Refuge (97-B04)

Issue: In 1997, CALFED approved \$10,647,000 to the US Fish and Wildlife Service to fund the acquisition, long-term preservation, protection, and restoration of approximately 6,169 acres of San Joaquin River NWR floodplain. In January 2000, the Bureau of Reclamation approved a time extension to March 31, 2000. Due to delays in easement negotiations, an additional 12 months (to March 2001) is needed to complete the project.

Staff Recommendation: The increase in time is reasonable and should be granted.

2. Sacramento River Acquisition and Riparian Forest Restoration (97-N03)

Issue: In 1997, CALFED approved \$780,000 for The Nature Conservancy to restore 200 acres of flood-prone lands to native riparian forest along the Sacramento River between Keswick and Verona. The actual cost for restoration of this area was \$142,500 less than anticipated. The Nature Conservancy now requests applying these funds to do additional restoration on another Sacramento River property, the 94.55 acre Flynn Unit, which was acquired with CALFED funds under Project 97-N04. Restoration of 10 acres of the Flynn Unit is included as part of the 97-N04 project. The remaining 84.55 acres could be restored using the \$142,500 remaining from 97-N03. The Nature Conservancy would cost-share for staff time, and comprehensive monitoring of the entire 94.55-acre site under the 97-N04 agreement.

Staff Recommendation: The change in scope is reasonable and should be granted.

3. Riparian Corridor Acquisition and Restoration Assessment (99-B12)

Issue: In August 1999, CALFED approved \$2,240,250 for the protection of approximately five miles of Sacramento River frontage, four and one-half miles of Battle Creek frontage, and one mile of Anderson Creek frontage. The Greening Ranch negotiations have been terminated due to landowners reluctance to continue. Based on negotiations, the acreage of the Gover Ranch conservation easements has been reduced. The appraised value of the Gover conservation easements is greater than originally

estimated but with the dropping of the Greening Ranch the total values are approximately the same. Cost to CALFED remains the same.

Staff Recommendation: The change in scope is reasonable and should be granted.

4. Twitchell Island Subsidence Reversal Demonstration (98-C01)

Issue: In February 1998, CALFED awarded \$3,000,000 to Dept. of Water Resources to evaluate and demonstrate techniques for reversing subsidence through sediment deposition and biomass accretion. It includes evaluating effects of these techniques on water quality. The start-up of this project was moved back a year due to delays encountered during the negotiation and approval of the subcontracts and six-month delay in approval of receivable authority at DWR. DWR is requesting an extension of the end date of the project from December 31, 2002 to December 31, 2003

Staff Recommendation: The increase in time is reasonable and should be granted.

5. Saeltzer Dam Fish Passage (97-M05)

Issue: In December 1997, CALFED approved \$238,200 to Townsend Flat Water Ditch Company for permitting and design for removing and replacing Saeltzer Dam. In 1998, the award was reduced by \$100,000 in exchange for the Bureau of Reclamation performing the environmental documentation. In March 2000, Townsend and the Bureau of Reclamation have "agreed in principle" to pursue a proposed project that would remove the 93-year-old diversion and allow spring-run salmon and steelhead to gain access to valuable spawning and nursery habitat on Clear Creek. Townsend has requested that the money be made available for facilitating the dam removal.

Staff Recommendation: The change in scope is reasonable and the award should be made available for the purposes identified in the agreement in principle. In addition, it is recommended that the award be increased by \$100,000 to restore the original award.

6. Franks Tract Restoration (97-N12)

Issue: In February 1998, CALFED approved \$231,500 to Moffat & Nichols Engineers for construction of 45 acres of artificial islands to establish tidal perennial aquatic habitat, shaded riverine aquatic habitat, and mid-channel islands and shoals habitat. In November 1999, Moffat & Nichols requested and received an increase of \$16,500 for additional engineering work to evaluate imported fill material. In response to a CALFED-requested public meeting, local residents and harbor tenants request raising the finished crest elevation of one or two of the islands to provide recreational uses. This revision would require \$75,186 of additional environmental documentation and engineering.

Staff Recommendation: The change in scope is in response to CALFED's request for public meeting, is reasonable, and should be granted.

7. Assessment of Ecological and Human Health Impacts of Mercury in the Bay-Delta Watershed (99-B06)

Issue: In 1999, CALFED approved a directed action of \$3,800,000 for the San Jose State University Foundation to provide information that will lead to a reduction of mercury in resident fish tissues to levels that are not harmful to humans and wildlife.

Staff Recommendation: Fund an additional amount of \$158,288 for QA/QC improvement and Phase 1 modeling work, contingent upon adequately addressing the critical need for additional project management by reallocating within the current budget, or through additional cost share from project participants. A \$120,288 increase for QA/QC improvement provides data consistency to the study. Individual QA/QC programs are insufficient to accurately compare mercury data among individual components of the study. \$38,000 for Phase 1 modeling work will provide an overall conceptual model that will help to integrate the various studies, help to direct monitoring strategy, and will provide a management tool for ongoing evaluation of the project's goals and objectives. The modeling work may result in a more focused study and saved costs. The additional project management needs outlined in the amendment request, including increased facilitated communication among participants and external groups and increased initial project planning to improve coordination among the participants, are all deemed critical by staff. These activities should be addressed either by reallocation of existing project funds (change in existing scope), or through additional funds secured from other sources.

Contract Amendment Process

Level 1 Amendments

Level 1 amendments would be defined as (a) cumulative time extensions up to nine months, (b) changes in scope of services which will not alter the final outcome of the project, and (c) budget increases not to exceed a total of \$25,000 for each contract. Decisions on amendments at this level would be made by contracting agency staff after consulting with CALFED staff. Contracting agencies may delegate decision-making to the Executive Director of the CALFED Bay-Delta Program, as appropriate.

Level 2 Amendments

Level 2 amendments consist of requests for (a) cumulative time extensions over 9 months, or (b) cumulative budget increases up to 30% of the contract amount, but not greater than \$500,000 or (c) changes in scope of services which alter the final outcome of the project.

These amendment requests would be considered by an Ecosystem Roundtable subcommittee which would meet in a publicly noticed meeting and consider each amendment in detail. The Ecosystem Roundtable members would provide review and comment on the proposed amendments. A group of Management Team members would participate in reviewing the contract amendments at the same meeting with members of the Roundtable subcommittee. The Management Team subgroup would then make their recommendation with the input from the Ecosystem Roundtable members. The Management Team subgroup could decide whether an individual item merits full Management Team review and discussion, and/or Policy Group review. If an item is identified as not meriting additional discussion, then the Management Team subgroup's recommendation would be transmitted directly to the appropriate contracting agency. Interior, Resources Agency, and the Environmental Protection Agency would have the final approval over their respective funding sources.

Level 3 Amendments

Level 3 amendments consist of amendment requests of cumulative budget increases of 30% or more of the contract amount or over \$500,000. Level 3 amendments will be reviewed through the same process as Level 2 amendments, but will need to be presented to the Policy Team who will transmit their recommendation to the respective funding source.

Reporting

The Management Team, Policy Group, Ecosystem Roundtable and BDAC would have all amendments reported to them as information items.