

Resolving Significant Technical Issues

Three very significant technical issues will require focus from the Program in the coming months.

I. Diversion Effects on Fish, Including the Entrainment and Flow Effects on Fish

The extent to which diversion effects in the South Delta can or cannot be either offset by major positive responses of target species to habitat improvements or by modifications to any of the three alternative configurations will heavily impact the choice of a final preferred alternative. Can we recover Delta species while pumping 6 - 6.5 million acre feet annually from the South Delta? What is the probability of recovering Delta species under either through-Delta or dual conveyance systems? While many biologist believe that fishery losses due to diversion impacts are a major cause of fishery declines, this is debated by some as not being the primary cause of decline. To help determine the true significance of this issue, Program staff propose the following resolution process:

- ▶ Program/IDT staff recently drafted a status paper which describes this issue. An interagency team will fully develop this paper.
- ▶ An expert panel will be formed to review and critique the assumptions in these papers and report back to CALFED by June 15 with its review and evaluations.
- ▶ Based on the above input, CALFED should seek to reach consensus on the willingness to try new screening technology as part of a Program alternative, and the extent to which fish loss is affected by entrainment and flow modifications.

II. Effect of Bromides on Drinking Water Quality

The Program needs to better define the extent to which the alternatives affect in-Delta water quality, with special attention to the question of bromide levels.

- ▶ Program/IDT staff recently drafted a paper which describes this issue. However, there is significant uncertainty about both the health effects of bromides and the extent that the CALFED alternatives would improve, or should seek to improve, bromide levels over current conditions.
- ▶ Working together with an interagency group, staff will revise the paper and advise on an expert panel to review this issue with an objective to gather and evaluate the latest available information and to make recommendations to CALFED on the implications to decision-making about the alternatives.

III. Operating Criteria for Final Program Operations

For the Draft EIR/S, a set of operating criteria was developed essentially reflecting existing conditions and an additional set with some modifications to incorporate elements of the common programs (such as ERPP flows) with an attempt to quantify a reasonable set of criteria for

conveyance and storage elements of the alternatives. The IDT refined the distinguishing characteristics for purposes of the Phase II Report discussions. In order to do further analysis on impacts between now and release of the Final EIR/S, efforts must continue to refine the operating criteria assumptions. These efforts could fall into two categories, 1) *what will the interim (after certification of the Final EIR/S and before any significant storage and conveyance changes are in operation) look like; and 2) what do the long-term criteria look like, i.e. define our assumptions about what operating criteria may be needed to ensure equal or better protection from the Bay-Delta system after the system has been reconfigured under a fully implemented alternative.*

Several issues will need to be part of the interim operating criteria discussions, including under what conditions, and with what assumptions, will the Bay Delta Accord be extended. Additionally, the Program's premise on the relative value of water must be translated into operating assumptions.

Long term, operating criteria will be developed over time which are refined to deal with the specific physical changes to the system proposed in the preferred alternative and the resulting Delta flow patterns.

Program staff will convene an expert panel of agency and stakeholder representatives to review the assumptions. Effort will be directed at better defining the interim and long-term ranges of operating criteria which should be applied to additional analysis between the Draft and Final EIR/S and should be included in discussions regarding assurances.

Program Elements Needing Further Definition

Several Program elements, although adequately defined for the draft documents, need additional clarity and definition before the final Program is completed. These include:

I. Water Use Efficiency Strategy

Cost Effectiveness. The Water Use Efficiency component is based on implementation of efficiency measures that have a benefit/cost ratio greater than one for the water supplier, an approach that may fail to achieve implementation of some measures that are cost-effective from a statewide perspective but not from the perspective of the local water supplier. An independent panel will help determine what mechanisms in addition to a water transfers market would help achieve implementation of measures that are cost-effective from the statewide perspective:

- Water savings programs may be analyzed according to different beneficiaries, such as customer, agency, statewide perspective.
- A benefit/cost analysis may include risk factors to respond to changing conditions. Analyses should be watershed based, rather than be focused on local areas.

II. Water Transfers Opportunities and Impacts

The CALFED Program and its water transfers policy need to help resolve issues related to transfers and promote the development of a stronger transfers market.

- ▶ CALFED staff will develop a comprehensive white paper on water transfers which includes:
 - * refined proposals for determining and protecting against third party and groundwater impacts and establishing a statewide transfers clearinghouse;
 - * an outline of outstanding issues which must be resolved to promote a stronger transfers market, including a basic scope of work for the agencies on those issues; and
 - * potential legislative language to address protection against third party, local groundwater and environmental impacts.

Staff will reconvene the Transfers Agency Group to resolve several technical problems including reservoir refill criteria, access to facilities for wheeling transferred water; and carriage water requirements in the Delta

- ▶ Staff will continue to work with the Transfers Agency Group to find a mutually agreed upon definition of "transferable water" and provide opportunities for public input into that process through the BDAC Water Transfer Work Group.
- ▶ The BDAC Water Transfer Work Group will continue to:
 - * Refine policy recommendations on protections against third party and local groundwater impacts
 - * Review/revise the CALFED white paper
 - * Help develop concepts which will need to be addressed in potential legislative language on protection of third party and groundwater impacts
 - * Discuss and make recommendations about use of transfers to enhance instream flows for environmental purposes
 - * Discuss and make recommendations on the role of a transfers clearinghouse in facilitating transfers while supporting informed local public participation
- ▶ In order to maximize public input into key aspects of the transfers policy, CALFED will convene a public workshop for review/comment on the transfers white paper, with a focus on policy recommendations for protection of third party impacts and for a more reliable and standardized interpretation of transferable water.

Finally, the Program will do further analysis regarding each alternative's ability to increase transfer opportunities and to better facilitate water markets.

III. Development of an Implementation Plan for the Program, Including Assurances and Financing

An implementation plan is needed which will detail the actions to be accomplished, the assurances to be provided and the funding mechanisms to be applied to the approved CALFED alternative.

Program staff, working with the CALFED agencies in the Management Team are working on a draft blueprint for the implementation plans for each of the Program elements. After selection of the Final Preferred Alternative this will become a unified plan covering each element of the Program. Costs and benefits must flow to all parties to a Delta agreement at each stage of Program implementation. The plan will detail implementation sequences which cause the entire Program to move forward in the agreed-upon way. Implementation plans will be developed for:

- A. Water Quality
- B. Levee and Channel Integrity
- C. Ecosystem Restoration Program
- D. Water Use Efficiency
- E. Watershed Management Strategy

- ▶ A Draft Watershed Management Strategy has been forwarded to both the CALFED agencies and to BDAC for review and comment.
- ▶ Staff will work with upper watershed groups and agency staff to obtain comments on the strategy and to continue to make refinements in the approach.
- ▶ During the Spring of 1998, the Program will sponsor and co-sponsor with local entities, a series of small workshops designed to focus CALFED efforts on watershed programs and activities with significant net benefits for meeting Program objectives.
- ▶ The CALFED Watershed Management Strategy was developed to coordinate widely separated, locally implemented watershed management efforts related to the CALFED objectives and goals. It is our intent to refine the strategy through a comprehensive program involving interagency cooperation among CALFED agencies, local governments, watershed councils, stakeholders, and local communities.

IV. Improving the Water Quality Program and Levee Program

- ▶ A working group of agency and stakeholder participants is being formed to direct a series of actions to:
 - A. Validate the draft WQP and Levee plans included in the Draft EIR/S;
 - B. design a workplan for contractor support to enhance the technical details of the plans;
 - C. assist in specifying actions to be undertaken as part of the plans and estimate their benefits; and
 - D. advise on a technical review panel to be organized to review the plans and suggest revisions.
- ▶ A technical review of the WQP by a panel made up of experts in the various aspects of water quality will be conducted during the Summer of 1998. Recommendations of this panel will be incorporated into the final WQP to be implemented as part of the preferred alternative.

V. Revising the Ecosystem Restoration Program Plan

- ▶ The Program will continue efforts to respond to comments received on the draft volumes.
- ▶ Implement Strategic Plan

The Scientific Review Panel and stakeholders strongly recommend that CALFED prepare an ERPP Strategic Plan. To accomplish this task, an informal agency and stakeholder steering committee has outlined a Strategic Plan. The purpose of the Strategic Plan is to articulate a planning and scientific framework to refine the three Volumes of the ERPP and to ensure successful implementation of the ERPP. The Strategic Plan will reorganize and augment the ERPP Volume III working draft. In addition, the Strategic Plan will accomplish the following:

- * Integrate outside scientific expertise into the ERPP science program;
 - * Enable CALFED, agencies, stakeholders and ecosystem restoration specialists to collaboratively address outstanding scientific, technical, logistical and socio-political issues;
 - * improve the organization and presentation of the ERPP; and
 - * ensure consistency and integration with the CALFED common programs, the Restoration Coordination efforts, the ESA conservation strategy, the Assurances Package, and the preferred alternative.
- ▶ Development of a Conservation Strategy. In conjunction with the Ecosystem Restoration Program and in accordance with the ESA compliance strategy for the whole CALFED Program, the Conservation Strategy is intended to integrate CALFED Program enhancement and mitigation actions to provide for improved species and habitat protection, increase assurances of overall Program implementation, and streamline state and federal ESA take authorization for approved actions.

VI. Defining and Reducing Potential Agricultural Land Impacts from the Program

- ▶ Staff will continue to work with representatives from the Department of Food and Agriculture and the Water Policy Council to find and implement ways to reduce these impacts.

VII. Compliance with Clean Water Act Section 404 (b) (1) Guidelines

A. Additional Studies/Analysis

Additional studies and analysis will help to identify the least environmentally damaging practicable alternative. Two identified efforts include least-cost economic analysis and demand reduction sensitivity analysis.

The least-cost economic analysis will examine alternative combinations of supply augmentation and demand reduction to achieve CALFED water supply reliability objectives.

The demand reduction sensitivity analysis will focus more specifically on meeting water supply reliability and ecosystem quality (fish entrainment) objectives with demand reduction. Perhaps with input from a technical advisory group, CALFED will examine:

1. What are the implications of reducing demand out of the Delta by 3 MAF (2MAF, 1MAF, etc.) To the point that entrainment is eliminated as a stressor that prevents recovery of fish species? What level of demand reduction might be feasible?
2. Assuming CALFED could implement the requisite level of demand reduction, how would this reduction in demand affect the sizing and/or need for new or expanded storage?

B. Meeting with 404 Agencies (COE, FWS, etc.)

C. Surface Water Storage Screening Committee

D. Interagency effort will begin in March to finalize the narrowed list of sites

Other Issues Outstanding from DEIR/S Review

The process outlined above will be applied to any appropriate issues identified through review.