MANAGEMENT GROUP

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01/25/00

February 2, 2000

TO: Federal- State Management Group

FROM: Mary Selkirk

SUBJECT: Meeting Outcomes, January 25, 2000

The following is a brief summary of outcomes from the CALFED Federal-State Management Group meeting held on Tuesday, January 25, 2000.

Long-term Governance
Kate Hansel reported on her recent activities in soliciting agency comments on the proposed governance framework presented to the Policy Group on January 19th. Kate reported that there have been some agency concerns with regard to possible changes in their authorities with the establishment of a CALFED commission. She noted that DWR staff was supportive of the concept of a commission. She reported that they have convened meetings with the fisheries agencies regarding where the Environmental Water Account would be housed, and under whose authority.

Kate went on to report that the State Board had major problems with the Commission concept. Jerry Johns offered some detail regarding the Board's concerns. He said that the Board was concerned that their budget would be controlled by the Commission, affecting their regulatory activity. Another issue he raised was that if CALFED issues permits, should the Board in fact be part of the Commission, if it would be regulating these permits and permit holders. He added that there were also concerns regarding potential conflicts around drinking water and recycling issues. He added finally that it wasn't clear that the Commission would provide any additional public input.

Steve Ritchie noted that direction within agencies on these types of issues has to come from the highest levels within each agency. He went on to say that CALFED needs the agencies to engage and ensure their commitment and that their budgets support CALFED objectives. For example, with regard to the CALFED Drinking Water Program, there is no clear evidence yet that individual agencies are prepared to ask for the budget changes within their agencies necessary to support CALFED objectives and activities.

Outcome: No action, information only.

Environmental Water Account Update
Ron Ott presented outcomes of the most recent gaming activities currently undertaken by the EWA modelers. He described two new games they are looking at:

First, a game that looks at all assets to the water users, with all b(2) water to the fisheries, and flexing the Export/Inflow (E/I) ratio.

Second, all assets to water users, plus the ability to buy any additional water requested by the fisheries.

Ron will present a complete report to the Management Group on February 22nd.

Outcome: No action, information only.

South Delta Permitting
Tracy Billington reported on a recent reminder from the USACE, that the temporary South Delta barriers permits were issued predicated on their "research" value. They have put CALFED on notice that it will be harder to justify extension of these permits absent progress on developing barriers alternatives. She noted that the South Delta ImprovementsTeam has 7-10 years of research and that they should reach conclusions. Tim Ramirez asked what the research was looking at—fisheries, drinking water quality, or water levels effects? Tracy committed to returning with a response on this.

It was noted that this situation makes clear that the South Delta has to move forward to get the State Board out from under ongoing complaints from the South Delta users regarding water quality.

Gary Stern noted that NMFS needs to get a request for a consultation.

Outcome: Tracy Billington will get information to Tim Ramirez regarding the nature of the research proposed under the temporary barriers permits.

No other action taken, information only.

Description of the Preferred Alternative
Carolyn Yale of EPA stated that EPA needs to have a level of comfort with the final language, and that she wanted to see the fully completed Response to Comments document and revised EIS/R prior to publication.

Steve Ritchie requested that State and Federal coordinators notify CALFED if we need additional meetings to go over the EIS/R. He went on to note that CALFED has proposed a window between February 28 and March 15 for final review.

Regarding Hood diversion language, Rick Breitenbach inquired as to whether EPA had any suggested changes. Mike Boots responded that the Federal agencies still have questions. He raised the issue as to whether the policy has been adequately addressed.

Gary Stern raised the question why the Hood diversion could not be treated as a contingency in the same way that the Peripheral Canal is.

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Steve Ritchie replied that it would entail some additional programmatic review, and would drop off the preferred alternative. He also went on to ask if as a community we want to say that water quality is at risk here.

Patrick Wright requested that a couple of options be teed up, and that the implications on the impacts analysis be described.

Outcome 1: Mary Scoonover will prepare an options paper. CALFED will present at Management Group next week, and get State-Federal read on this (see Attachment 1).

Theresa Pacheco reminded the group that Alex Hildebrand had raised a number of questions in his letter to Secretary Nichols and Steve Ritchie regarding the adequacy of the supporting analyses and the ROD.

Outcome 2: Steve Ritchie stated that CALFED will ensure that Alex's concerns will be responded to, and that everyone gets a copy of Alex's recent letter (see Attachment 2).

Phase II Report

Rick Soehren noted that there would be significant revisions to the draft Phase II Report, specifically in the Water Management Strategy and Environmental Water Account sections. Agencies will receive a draft on February 18th, comments are due by February 28th, discussion scheduled for Management Group on February 29th, then on March 7th and March 14th.

FY 2000 Spending

Steve Ritchie noted that CALFED is still waiting for DOI to sign off the ecosystem funds. Rick Breitenbach will be assisting USBR in resolving the non-ecosystem spending authority question.

Anthony Saracino reported on the Conjunctive Use Request for Proposal that is now out for circulation. He noted that $2.15 million is available for grants. The goal is not to fund studies but actual projects. The RFP selection panel is still to be determined. [The RFP application is available on the CALFED website at http://calfed.ca.gov/]

Patrick Wright commented that CALFED and the Resources Agency should have an answer as to how any conjunctive use money will be spent if the water bond passes. He asked is this process can be shaped to accommodate additional State funding.

Outcome: Patrick Wright will consult with Steve Macaulay on this issue. They will look into possibility of moving the date of the RFP workshop until after the election.

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Other Issues
Gary Stern announced that NMFS would be holding public hearings on the proposed 4(d) rules for Central Valley steelhead (threatened).

Wayne White raised the issue of the Reclamation Board's role regarding permitting projects. He expressed concern about their resistance to permitting. Steve Ritchie confirmed that this is a Management Group issue. Wayne stated that he would provide a white paper on this as promised. Tim Ramirez noted that the Resources Agency is working with them on this, that the Boards' main concern seems to be liability. Dick Daniel added that this raises the need for the CALFED permit streamlining process. Mary Scoonover commented that the current Reclamation Board is trying to expand its authority—that is the broader issue.

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