

March 2, 2000

TO: Federal- State Management Group

FROM: Mary Selkirk

SUBJECT: Meeting Outcomes, February 29, 2000

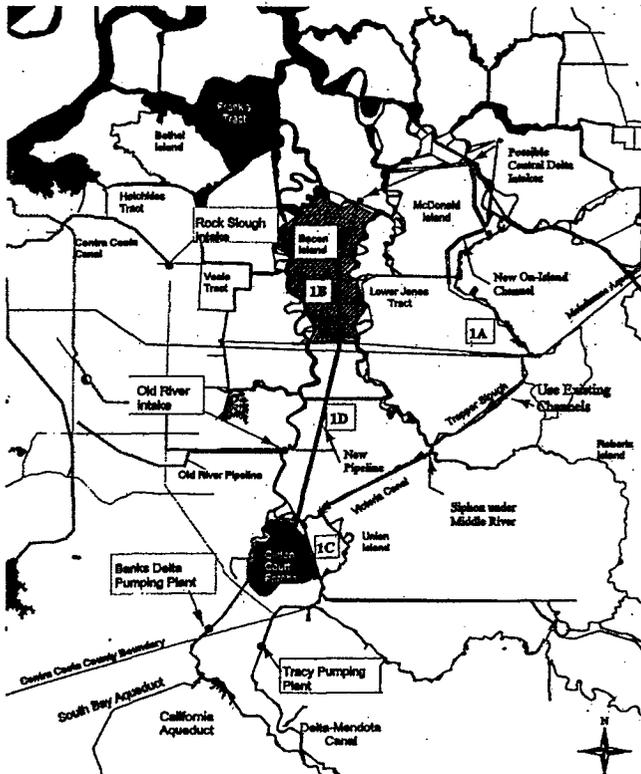
The following is a brief summary of outcomes from the CALFED Federal-State Management Group meeting held on Tuesday, February 29, 2000. Mary Selkirk, substituting for Steve Ritchie, presided over the meeting.

New Central Delta Intake Concept

CALFED staff Darryl Hayes, substituting for Ron Ott, explained the two additional diversions to Clifton Court Forebay which are currently being considered:

1. From the northside of Bacon Island.
2. From the southeast corner of McDonald Island and would include a siphon under the Middle River. This one could conceivably rid the need for South Delta barriers.

These additional diversions initially appear to beneficially impact water quality in the Delta.



Margit Aramburu, Delta Protection Commission, asked about impacts when some of the channels run dry. Darryl acknowledged this would be one of the issues involved in the discussions.

CALFED staff Tracie Billington said they are looking at three water quality modeling runs, which will take two to three weeks. Kathy Kelly, DWR Planning, said the modelers are at a conference and will not return until the end of the week.

Kathy Kelly expressed concern that new options continue to be considered. She wondered how this one might impact the Programmatic EIS/EIR impact analysis. Mary Scoonover, CALFED Legal Counsel, said that until discussions end, it is impossible to determine if an added alternative is adequately covered by the EIS/EIR as now written.

Outcome: Darryl Hayes will give Management Group a status report on March 14.

Shasta-Tehama Bioregional Council

Mary Selkirk noted that several CALFED agencies had received a letter of complaint from the Shasta-Tehama Bioregional Council in which they expressed their concerns about being excluded from recent meetings concerning restoration actions in the Clear Creek watershed. She went on to let the Group know that CALFED staff are in the process of drafting a response letter to the Council.

Tim Ramirez, Resources Agency, said he has spoken with members of the Council and will meet with Martha Davis to hopefully further resolve the situation.

Outcome: No action, information only.

Final Programmatic EIS/EIR Revised Schedule

CALFED staff Rod Johnson outlined the effects of the one-month shift of the release date from April 15 to May 18. New date information:

- 3/13/2000 Package of changes for Impact Analysis/Appendices delivered to agencies.
- 3/22/2000 Agency comments on changes to IA/APP are due no later than 1 p.m.
- 3/29/2000 Second agency review meeting to go over items not changed/issues.
- 4/24/2000 All final documents completed and delivered to NEPA/CEQA Unit.
- 5/18/2000 Release to public: Response to Comment Documents, Program Plans/Appendices and Final Environmental Impact Statement/ Environmental Impact Report

Mary Scoonover noted that if there are no additional delays, the Record of Decision remains scheduled to be signed on July 5, 2000.

Outcome: No other action taken, information only.

CALFED Watershed Program briefing

CALFED Watershed Program Manager, John Lowrie, provided a briefing for the Management Group on recent activities and current outstanding issues identified by the CALFED Watershed Program. He reviewed the program's goal to provide technical and financial assistance for watershed activities that help achieve CALFED's mission and objectives by promoting collaboration and integration among existing and future local watershed programs. The program's approach will try to focus on watershed activities rather than on individual groups.

Wayne White, USFWS, cautioned that situations should not be avoided simply on the basis of existing conflicts, because those places can oftentimes yield substantial benefits. Margit Aramburú also warned that when funds are spread out widely, you may not get the best use of the funds. Wayne White added that we have learned from CVPIA to focus on multiple activities on a single watershed, such as Butte Creek.

John outlined the Watershed Program's outstanding issues:

1. Definition of the proposed geographic scope for the watershed program. John noted that it is perceived the scope applies only to "upper watersheds" (areas above dams in rural northern California). Julie Tupper, USFS, noted that half of the watersheds are located in the Central Valley
2. Need for integration of common programs on a watershed basis. John mentioned there are three other elements of the Program which interrelate with the Watershed Program: Water Use Efficiency, Water Quality and Ecosystem Restoration.
3. Watershed Program financing and technical support. There is currently no clear source of funding or potential funding for implementation of the Watershed Program. Mary Selkirk, CALFED staff, said this would be more appropriately addressed through the CALFED governance process (Kate Hansel).

Steve Macaulay asked the following two questions:

1. When are we going to make these decisions?
2. What document is it going to be reflected in?

Mary reminded the group that next week interim "Governance" is on the agenda and many of the issues will be discussed.

Dick Daniel, CALFED Early Ecosystem Restoration Program Manager, spoke out for the need to consult with the Program Managers on the implementation concept.

Outcome: Mary Selkirk asked John Lowrie to develop a more explicit list of recommendations being inclusive of the Program Managers and bring that list back to the Management Group. Wayne White asked that the Management Group be told when he plans to meet with the Program Managers. Mary added that it would be helpful for the watershed staff to go agency by agency to see what they want. John felt sure they could put together an estimate of agencies' needs.

Report on Environmental Water Account gaming activities

Dave Fullerton, substituting for Ron Ott, summarized the vast amount of modeling information gathered during the numerous gaming events. The information was gathered under three criteria:

1. b(2) water as main tool (Games 1A and 1B)
2. b(2) water plus EWA flexibility (Games 2A and 2B)
3. Operational shifts as necessary and prudent to provide fish protection (Games 3A and 3B)

Each was run under two scenarios: Beginning of Stage I (Joint Point of Diversion + Delta-Mendota Canal/California Aqueduct intertie + small expansion of Banks pumping rights; and the end of Stage I (JPOD + DMC/CA Aqueduct intertie + full expansion of Banks pumping rights + storage upstream + storage in the Delta + storage in the export area).

Key Outcomes of Games

- Game 1 - b(2) water as main tool
 - Water Quality Control Plan + Vernalis Adaptive Management Program export reductions + additional b(2) actions provide significant fish improvements compared to actual historic operations (under D1485) for the years 1981 - 1994.
 - Inclusion of b(1) reoperation would have increased fish benefits, but reduced exports.
- Game 2 - b(2) water plus EWA flexibility
 - Addition of EWA with assets + ability to reoperate system (based on EWA collateral) increases total fish benefits while maintaining or increasing exports. Would require EWA with access to several hundred thousand AF of water in some years.
- Game 3 - Operational shifts as necessary and prudent to provide fish protection

- Major increase in export limitations to protect fish; however, consumes all remaining flexibility in existing system and reduces exports. No ability to fill storage south of Delta except in wettest years. At current level of development would require purchase of several hundred thousand AF of water nearly every year. Additional storage north of Delta could reduce supply impacts in the future.

Conclusions

1. b(2) account should be supplemented with EWA
2. EWA makes reoperation palatable to the Federal and State Projects by assuming the risks associated with voluntary changes in operations to protect fish.
3. These “no harm” reoperations are extremely productive.
4. b(2) rules which use b(1) reoperation to preserve b(2) for later use in the export area are likely to induce resistance from the Projects. It is essential that the ultimate b(2) accounting rules not discourage the Projects from participating in “no harm” reoperation. If they do, then the effectiveness of the EWA will drop significantly.
5. EWA asset needs are the most acute in wetter years. Water user needs are the most acute in dry years. This offset creates opportunities for creative sharing of new assets to give each side what it needs most.
6. b(2)/EWA operations tend to force exports out of the winter/spring and into the summer/fall. Could increase average salinity of water exported.
7. The shift of exports from winter/spring to summer/fall favors some species at some increased risk to other species. While the species at increased risk are mostly exotics, substantial angling recreation benefits are involved.
8. b(2)/EWA operations tend to reduce exports during the February peak in Delta total organic carbon. This change in operations could reduce average TOC of water exported.

Tools

All infrastructure tools create new flexibility. That flexibility may be converted into increases in exports, increases in reoperation to benefit fish, or a combination of the two. The benefits of infrastructure expansion should be split between the EWA and Projects to ensure mutual benefit and support.

1. JPD/Expansion of Banks pumping rights. Without these tools, unlikely CALFED can create enough flexibility to simultaneously meet stated needs of fish agencies and water users.

2. Delta Storage. Highly efficient storage with yield/storage capacity ratio of about 100 percent. Intertie to Clifton Court improves even more. However, supply biased toward wetter years. Tool is, therefore, most appropriate for EWA or CVP. Urban concerns about impact of organics from peat soil remain.
3. South of Delta Storage. Valuable, provided that export capacity exists to fill reliably in wet years. Major benefits are dry year supplies and as collateral to EWA. However, the storage analyzed to date is too small provide major benefits to water users during extended droughts.
4. North of Delta storage. Valuable. Easier to fill than storage in export area. Moreover, no capacity problems with transport across Delta during dry years. However, volumes tested to date too small to make a major difference in supply or fish protection.
5. Yuba storage. The Yuba storage system remain underutilized. Water purchases of stored Yuba water could provide immediate benefits at low cost, without the need for new infrastructure. However, reduced storage could have implications for power generation and temperature control.
6. Transfers. Options provide a key tool for the EWA, though may actually purchase water in a minority of years. Transfers by water users are equivalent to shortages and were not analyzed.
7. Efficiency. Potential benefits to EWA and user supplies not analyzed in gaming. However, purchase of reduced demand via efficiency could play a significant role in meeting fish and water user needs.

Perry Herrgesell, Chief, Bay Delta Division, Department of Fish and Game, asked when they were going to see graphics on the biology. Jim White, DFG, acknowledged they have not gotten to that point. Perry wanted to know if we are making headway.

Outcome: Mary Selkirk asked that the EWA be added to next week's agenda for further update.