

July 24, 2000

TO: Federal-State Management Group

FROM: Mary Selkirk

SUBJECT: Meeting Outcomes – July 18, 2000

The following is a summary of outcomes from the CALFED Federal-State Management Group meeting held on Tuesday, July 18, 2000.

1. Follow up/Updates

- Federal FY 2001 Budget - Patrick Wright reported they have been speaking with the Federal side regarding the CALFED budget, pointing out the State is making huge investments in the Program. Steve Ritchie said that getting Federal funding without reauthorization will be very difficult. At the present, neither the House nor the Senate has funding for the Program; and it is, therefore, not a conferenceable item. Representative John Doolittle, Chair of the Subcommittee on Water and Power, has shown little interest in writing legislation that would result in reauthorization.
- EIS/EIR – Steve Ritchie shared the good news that the Notice of Availability will be published in the Federal Register on Friday, which will trigger the release of the EIS/EIR. Some small changes were made at the last minute. There will be a press release issued on Friday.
- DWR FY 2000-2001 State Budget - Kathy Kelly reported the State budget includes:
 - 44 3-year limited term positions
 - 8 temporary help positions approved in FY 1999-00.

There is \$8,258,000 for the State-side of CALFEDs \$16 million operating budget.

The budget also includes new funding in DWRs budget for:

- \$20 million in Federal expenditure authority for CALFEDs ecosystem restoration projects;
- \$125 million in General Funds for EWA, watershed activities and water conservation;
- \$10 million in General Fund local assistance for creation of a contingency action account to finance water supply to increase the flexibility of the State's water management system.

The Department of Finance provided DWR with a list of vacancies within its department. Finance is scrutinizing all State agencies with regard to positions that could be abolished if left vacant for an extended period.

Outcome: Patrick Wright asked that a similar budget breakdown of DFG and SWRCB be prepared for Resources Agency.

- In-Delta Standards

Kathy Kelly will make the presentation next Tuesday.

2. **Request for levee restoration Funding for Van Sickle Island in the Suisun Marsh (Rob Cooke) - Action Item**

Rob Cooke explained the Suisun Marsh is an important element of CALFEDs Levee Program to achieve its primary objectives in Ecosystem Restoration and Water Quality. The \$90,000 request would provide funding to preserve Van Sickle Island, a critical Suisun Marsh Island, during the program planning effort. If the levee fails during the upcoming flood season, it will be very expensive to reclaim this island to reverse the in-Delta water quality degradation.

Alf Brandt expressed concern that he did not want make this a Federal responsibility. Ryan Broddrick reminded the group that the Federal Government became involved when the Corps repaired Delta levees during the January 1998 flooding.

Wayne White brought up the matter of the incomplete Amendment 3 and Biological Opinion. Rob said the permits needed for this repair work are in place.

Outcome: A small group of the involved agencies (USFWS, Kit Sanchez; USBR, Susan Ramos; DFG, Frank Wernette; Corps, Teresa Pacheco) will meet and Rob will bring back the item to Management Group in two weeks for reconsideration.

3. **Status Report on ROD** – Wendy Halverson Martin reported:

- Preliminary draft of the ROD will be delivered on Friday.
- Follow-up meetings with stakeholders will take place in early August
- Implementation MOU is being drafted
- EWA operating rules are being drafted.

Integration of IEP into CALFED - Steve Ritchie said the IEP will most definitely be integrated into the CALFED program.

Steve Ritchie stated there is an impending formal announcement of the appointment of CALFEDs Interim Science Leader.

Outcome:

- Tim Ramirez will meet with Wayne White, Perry Herrgesell, and Ryan Broddrick to talk about the science program, IEP objectives and EWA.
- Leo Winternitz will meet with CALFED, DWR, DFG, NMFS and FWS to tie the loose items together.
- Perry Herrgesell suggested that in 2 weeks, SOT come back with recommendations on the management and oversight of IEP.

4. Environmental Water Account

Mike Fris and Ron Ott teamed up to report on the gaming activities the stakeholders have been attending. On Wednesday, July 12, 17 stakeholders (16 water users and 1 environmentalist) attended a 4-hour exercise. Mike said one of the comments was whether the decision-makers know they are making decisions based on gaming. There appears to be increasing credibility for this tool. Ron said their major concern is if they can purchase the needed water south of the Delta.

Outcome: Mike Fris and Jim White will be meeting with NMS to discuss further to discuss further the question of whether proposed EWA operations will get to recovery. Mary Scoonover suggested they meet with Wendy to produce talking points in layperson and technical terms.

5. Water Use Efficiency Program

- Pilot Projects –
Marsha Prillwitz and Tracy Slavin of the Bureau briefed management group on the review process used to select seven projects for water use efficiency pilot projects. Three of the projects are urban and four agricultural. The estimated costs of the recommended pilot projects range from \$35,000 to \$200,000 with a total commitment of approximately \$1 million. This funding is within the Water use Efficiency pilot project budget proposed earlier this year.

Outcomes: Management Group approved funding for pilot projects.

6. Permit Clearinghouse

The Framework for Action states in part:

CALFED has developed a comprehensive list of permit requirements for all proposed program components in early Stage 1, and has convened discussions between the state and federal regulatory agencies to establish a "permit clearinghouse" to coordinate and expedite permit applications across all CALFED programs. CALFED agencies will develop an MOU detailing this clearinghouse process by December 2000.

Cindy Darling, CALFED staff, presented the draft outline of the Permit Clearinghouse MOA. She has been working with Rick Breitenbach, CALFED staff, and Tim Ramirez, Resources Agency. In order to meet the deadline they may be able to redirect the CALFED EIS/EIR staff to this effort. Tom Hagler advised restricting the clearinghouse to only permits needed for CALFED projects; however, Mary Scoonover said she would like other agencies to take advantage of the clearinghouse. The clearinghouse would need to be consistent with the framework and as Ryan Broddrick stated be consistent with the project next door.

Outcome: Cindy will continue meeting with each of the agencies and return in one month with a reiteration.