

July 28, 2000

TO: Federal-State Management Group

FROM: Mary Selkirk

SUBJECT: Meeting Outcomes – July 25, 2000

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

Steve Ritchie introduced Sam Luoma as CALFED's new Interim Science Leader. Sam comes to CALFED through USGS, Menlo Park. He will be responsible for the integration of science and management and writing the Science Program workplan.

Steve also shared news of Marc Reisner's passing at his home in Marin County on July 21 from cancer.

1. Follow up/Updates.

- EIS/EIR – Steve Ritchie announced the Final EIS/EIR was released on Friday, July 21. In 30 days it is hoped it will be certified.

- FY 2000-2001 Budgets – Steve Ritchie summarized CALFED Bay-Delta Program's State and Federal budgets:
State – FY 2000 – 2001 State budget includes \$163 million of which \$20 million is for ISI and \$8 million for CALFED's operating budget. There is \$135 million being held pending the Record of Decision.

- SWRCB – Jerry Johns provided a breakdown of the Board's budget related to CALFED activities. SWRCB budget includes 10.1 additional PYs this fiscal year:
 - 2 Division of Water Rights
 - 1 Region 1
 - 7.1 Region 5
 - 4.1 CALFED water quality studies
 - 2 CALFED permits action plan

In addition, there are 4 PYs in the San Joaquin Valley Ag Drainage, and Legislative augmentations of \$4 million for TMDL Program and \$.5 million for Resources to conduct biological assessment studies for San Joaquin River TMDL.

- DWR – Kathy Kelly added to last week's report that DWR is under Department of Finance pressure to give up positions, which have remained vacant for some time. DWR is fearful that if the positions are forfeited, they will be difficult to be re-established if and when CALFED needs them.

Federal – Neither the House nor the Senate have appropriations in their budgets for CALFED. OMB just sent a letter to Congress indicating the President will veto the appropriations bill if funds are not included for CALFED and two other projects.

- 2. In-Agency Tasks/Budgets/Project Management for Selected Early Stage 1 CALFED Projects** – Dennis Majors, CALFED staff, updated Management Group on the Implementation Plan using two projects as examples: South Delta Improvements and Shasta Lake. For each, he showed a series of charts beginning with a Workflow, which charted the basic tasks in the project identified by agency. This chart leads to preparation of a more detailed schedule defining each of the steps necessary to complete the project, based on the parameters in the Framework for Action document, including the budgeted cost for the work to date, the actual cost for that work, the scheduled progress for this date (in \$ terms) and the earned value of progress. This type of information gives a very clear picture of cost and schedule performance for the current period and the job to date. He showed two of the indicators; i.e., the Cost Performance Index (CPI) and the Schedule Performance Index (SPI) which, relative to an index of 1.0, readily shows milestones for major events and resources staff (from each of the agencies working on the project). Dennis also presented a graph for each of the projects showing the monthly cost by State, Federal or local sources and the resource utilization by each agency.

Additional management tools, which he presented, included a summary control sheet which tracks the original budget and any approved, pending or anticipated changes, and assures these are approved and accounted in a methodical way. He also talked about control of baseline documents and assuring that any changes to the project plan which deviate from such key documents as the Framework and the Programmatic EIS/EIR are controlled and authorized systematically.

Steve Ritchie stated this report is a result of the Governor's directive to begin producing an annual report. The deadline date for the report is November 5, and work continues on schedule.

Discussion ensued on duplicating cost accounting in each of the agencies. Dennis Majors found after meeting with all of the agencies, there needs to be a single cost accounting system for all CALFED activities. Wendy Halverson Martin said similar problems surfaced when tracking CALFED ecosystem project budgets through Resources Agency and USBR.

Questions arose as to whether CALFED is going to be responsible for control or only to monitor. It was agreed accountability will need to be a part of CALFED's responsibility, but Kathy Kelly stated CALFED does not have the authority to control. Steve Ritchie said the solution is the same for all. The fundamental question is how are we collectively going to assure ourselves that we are implementing in a balanced fashion?

Steve Ritchie spoke to the Federal contracting problems that CALFED has encountered through USBR. This resulted in CALFED looking at the full mix of possible contracting options. Margit Aramburu said this might lead to use of contractors other than those available through the customary sources.

Outcome: Steve Ritchie indicated that DWR, USBR and the Corps will work together to discuss how CALFED is going to have a uniform reporting system and the level of resources needed for updating this information and will report those findings in a week or two.

3. **In-Delta Standards** – DWRs report on In-Delta Standards will be delayed one week to complete in-house counsel review. Jerry Johns stated that when the agencies are unable to meet the three interior Delta standards, they must tell the Board the reasons why.

Outcome: Steve Ritchie stated there will be a discussion next week by DWR with support from USBR and SWRCB on the status of meeting In-Delta Standards.

4. **Status Report on ROD** – Wendy Halverson Martin, CALFED staff, reported the ROD remains on schedule with the exception of the CWAs Sections 401 and 404 MOAs. A meeting with stakeholders who have comments on the Framework for Action will tentatively be held in August 4.

Attention will be given to scheduling in order to have high-level Federal and State officials available for comment on the ROD during the Democratic Party Convention during latter part of August.

Outcome: Information only.

5. **Environmental Water Account** - Leo Winternitz, CALFEDs EWA Coordinator, reported the EWA implementation team, which consists of USFWS, NMFS, DFG, DWR, USBR and CALFED, met for the first time on July 24. They defined EWA objectives for fall and long-term:

- a) Purchase water for this fall and next year – Priority is at least 350,000 acre-feet for this fall and next year. USBR has committed 70,000 acre feet to the account.
- b) EWA operable requirements.

Discussion moved to the need to address stakeholder comments received on the Framework for Action.

Outcome: Jim White, DFG; and Mike Aceituno, NMFS; with Mike Fris, USFWS, at the lead, would answer the issues raised in the letters received.

Outcome: Ron Ott, CALFED staff, would provide a synopsis of gaming next week.

Outcome: Ryan Broddrick, Steve Macaulay, Mike Spear, Steve Ritchie, Lester Snow, Jim Lecky and Dave Anderson would meet on August 1 at 8:30 a.m. to discuss the key issues brought to them from the EWA Implementation Team.

6. **Delta Wetlands Water Rights Hearing** - Steve Ritchie was approached by Jim Eastin, representative for the Delta Wetlands Project, who requested CALFEDs willingness to make a policy statement in support of in-Delta storage at the hearing scheduled for mid-August. The policy statement would reflect CALFEDs support for the importance of in-Delta storage to the CALFED Program.

Outcome: CALFED legal counsel will review the appropriateness of such an action.