

CALFED NEWS, FEBRUARY-MARCH 1999

Calfed ousts Englebright leader; Public saw him as biased, official says **Marysville Appeal-Democrat - February 3, by Harold Kruger, staff writer**

Calfed is looking for a new candidate to run public meetings about Englebright Reservoir after it decided to replace Kevin Wolf.

"I have been let go from continuing to facilitate meetings," Wolf said Tuesday. "I think it's because Calfed did not want to have a controversial facilitator."

Wolf, based in Davis, led two meetings about Englebright and what issues should be included in Calfed's study of how to improve fish habitat above the reservoir. He was supposed to lead four sessions.

"I don't think anybody showed any evidence that I was biased," Wolf said. "It was more of image and perception because of my past work with Friends of the River."

Wolf said Dick Daniel, Calfed's assistant director, informed him that he would be replaced.

"The public perception that he was biased made it very difficult for him to pursue our objectives," Daniel said. "He and I mutually agreed that it would be much easier for us to start with a new facilitator and a clean slate."

"We also discussed his professional opinion on how we might have done things differently and taken more time and anticipated the degree of public concern more accurately. Furthermore, I have assured Kevin that his replacement is without prejudice as far as Calfed is concerned."

Daniel described the action as a replacement, not a firing.

"Firing or dismissal bring a connotation of misconduct," Daniel said. "It is my position that it's the perception of bias that required his replacement, not any misconduct."

Calfed, the state-federal consortium that's trying to improve the bay and delta, suggested last year that Englebright might be a good candidate for decommissioning as one option to help fish, and studies should be done.

The decommissioning proposal became a polarizing issue, particularly in Nevada County, pitting environmentalists against property owners and boat owners at the lake.

"I'm actually considered a fairly aggressive facilitator in moving stakeholders toward what the goals are," Wolf said. "In this case, those feasibility studies need to be done, and it would be best if they would be done in a manner that all stakeholders agreed to."

At his first meeting in December in Olivehurst, Wolf learned quickly that passions were running high. Things grew even more heated last month during the second meeting in Penn Valley, attended by Daniel.

"The meeting started off with a bombshell," Wolf said. "Dick Daniel was blunt about the fact the studies will go on and will look at decommissioning the dam."

"I don't think people wanted to hear that. Some of them were pretty shocked about it. That made people, when they got a chance to speak, we saw what happens when people are angry. That's the public meeting process."

Wolf said he had a sense of the anger in e-mails he received.

"I think there are people up there, from my e-mail, gosh, there are people whose anger over past things and kind of you might call it preconceived notions that they can't let go of, they are difficult people to have in a stakeholder process," Wolf said. "They're not open to listening."

Daniel also said he was aware of the anger at the Penn Valley meeting.

"The degree of emotional response to our proposals made the facilitator an extraordinarily important part of the process," Daniel said. "The extent to which members of the public expressed varying degrees of dissatisfaction with our facilitator made me conclude, even though we may never eliminate the emotional response to the range of alternatives we have, that we might be able to go forward and evaluate that range of proposals more effectively with a new facilitator."

During the Penn Valley meeting, some audience members questioned Wolf's objectivity. Earlier in his career, Wolf worked for Friends of the River.

Daniel declined to offer Wolf a full endorsement.

"This is a political and social process," Daniel said at the end of that meeting. "In a process like that, perception is reality. If we continue to hear allegations or continue to be presented with the perception that the facilitator of this effort on behalf of Calfed is not neutral and is not progressing and generating the kind of information we want, we will find the appropriate staff to do the job. That's a promise."

Wolf said his problem may have been one of unfamiliarity.

In his other facilitation efforts, Wolf said, "Most of those players know me. They are very comfortable with my work. What I think, some of the key players here haven't worked with me, haven't seen me do what I do well and then have this fear because I have an environmental background that I would somehow manipulate the process."

With Calfed bringing in a new facilitator, it will slow the process and some funding opportunities will be missed, Wolf said.

"The negative is Calfed is unlikely to fund studies that will benefit all the stakeholders," Wolf said.

"One of the negative things about delaying is the money goes away. By getting rid of the facilitator, the process is not going to end. The overall importance of restoring habitat for these endangered species has got to happen. The habitat has got to be restored."

Daniel said it's up to the federal Fish and Wildlife Service, a Calfed member agency, to hire the new facilitator. Daniel said he hopes that will happen by next week, when he's scheduled for a vacation.

Dave Munro, who runs Skippers Cove marina at Englebright, didn't lament Wolf's ouster. "I can't say I'm surprised," Munro said. "As a neutral facilitator, he didn't make it." ##

Editorial: Water planning stagnates
Bakersfield Californian - February 3, 1999

An unexpectedly wet year which included alone a once-in-a-century local snowstorm may well have salvaged what looked like a very dry year for Kern County. The local groundwater situation is being helped by parallel storms in the Sierra and Northern California that will bolster vital imported water flows.

But the long-term prospects for the San Joaquin Valley and much of Southern California are not looking as optimistic. In this case, the problem is human, not nature.

Four years ago, representatives of 14 federal and state agencies, agriculture, environmentalists and urban areas began intensive study and negotiations to devise a long-term solution to an inescapable fact of nature:

Water in California occurs naturally where it is needed the least. That is the cause of the state's always contentious water wars.

Prodded by Interior Secretary Bruce Babbitt, U.S. Sen. Dianne Feinstein and former Gov. Pete Wilson, recommendations by the Cal-Fed group for a years-long series of actions were supposed to have been firmed up late last year.

The process was designed to bring long-term stability to the process of water allocation in place of on-going political and legal skirmishing that has led to short-term and sometimes conflicting policies.

Part of the reason for the deadline was to avoid a change of administration in Sacramento and the policy delays that would inevitably result. Given the enormity and complexity of the task, it is understandable that the deadline was missed.

But the delay continues -- probably needlessly -- and the negative impacts could be compounded as a result.

Cal-Fed is at a critical stage. State and federal delegates, most urban and agricultural interests, and a few environmental participants had tentatively agreed to endorse two of three long-term phases for plans to improve water quality and marginal increases in quantity.

The interim study outlining the recommendations now languishes in part because Gov. Gray Davis has yet to name representatives to the Cal-Fed group from the state Department of Fish and Game and the Department of Water Resources.

The recommendations ranged from simply reallocating some water supplies to repairing levees to constructing new dams and reservoirs.

A decision on a third proposal -- building a covered canal through the salty Sacramento-San Joaquin Delta to send fresh, high quality water to Southern California -- is to be studied for as long as seven more years. Environmentalists want to secure more water for habitat restoration, albeit with minimal infrastructure changes; urban areas want more water and better quality; and agriculture needs more water and reliable supply, the latter never having been consistent thus far.

Until the interim report is signed off by the state, the federal government -- in the guise of Babbitt -- cannot do its part. A major supporting EIR on the huge and complex series of projects cannot make much progress. Two additional factors get even more complicated by further delay:

*If the process gets delayed another year, it could become enmeshed in the presidential election, with potential political and timing consequences.

* A complex series of enabling legislation and bond issues is needed to make the paper plan a reality.

Such water policy experts as state Sen. Jim Costa, D-Fresno, who represents parts of Kern County, and Assemblyman Mike Machado, D-Linden, cannot move ahead even just with bond issues, which face deadlines for being put on the ballot.

In addition, the two legislators term-out over the next three years, and the impact of their policy expertise and support for the process may be lost if some legislation is not put in place now.

By many accounts the major stumbling block to the overall success of Cal-Fed may be environmentalists' objections to such things as dams and reservoirs. They have defeated water bond issues in the past, and the fears of the vast majority of Cal-Fed participants is they may use their presumed clout with the Davis administration to stymie the process by delaying or fatally diluting the proposals.

Whether that is to be or not, Davis should move quickly to put Cal-Fed back on track because the issues affect virtually every Californian.

CalFed workshops focusing on urban water conservation
U.S. Water News - March 1999

SACRAMENTO, Calif. (AP) -- Water conservation is shaping up as one of the touchstone issues in CalFed's program to restore the Bay-Delta to ecological health and provide a more sufficient and reliable water supply.

Environmentalists in general say CalFed is underestimating the potential for new water supplies through conservation, and support aggressive water savings programs to forestall development of additional supplies by building new storage reservoirs.

California's major urban areas have already invested hundreds of millions of dollars in conservation programs, and many cities are using virtually the same amount of water they did 20 years ago despite significant population increases.

Water suppliers agree that more water can be wrung out of additional conservation, but believe current water quality and supply needs for fish and municipal uses cannot be met without developing more storage, let alone the demands of 16 million more Californians by the year 2000.

Now, two new proposals for extending urban water conservation will be discussed in a series of four workshops sponsored by CalFed. While the two proposals differ in how they would encourage conservation - and penalize lackluster water-savings efforts -- overall they cover considerable common ground and would usher in an unprecedented new commitment to furthering efficient water use in the state's urban areas.

Under both proposals, urban water purveyors with more than 3,000 service connections would be required to implement the 14 best management practices (BMPs) listed by the California Urban Water Conservation Council (CUWCC). Their performance would be subject to review and certification by the CUWCC. Chronic non-compliance could result in loss of access to any new Delta water supplies, the inability to participate in either water transfers or any future drought water banks, and monetary fines.

CalFed has incorporated conservation as part of its overall water management strategy, which also includes water transfers, recycling, and developing new storage reservoirs. During the first few years of the CalFed program, while potential reservoir sites are scouted and their feasibility studied, an extensive commitment to conservation is expected. Program officials estimate nearly 1.3 million acre feet will be saved by additional conservation.

Before any permits would be issued to actually build new reservoirs, CalFed would assess whether water savings performance goals have been met, proceeding only if specific water quality, water supply reliability, and ecosystem goals have not been achieved despite adequate conservation.

Many of California's urban water providers have already essentially agreed to be bound by a landmark conservation agreement developed in 1991. The memorandum of understanding on best management practices (BMPs) for urban conservation lists the 14 conservation techniques that should be implemented unless the agency can show a particular BMP isn't cost-effective. BMPs include such actions as installing ultra-low-flush toilets in homes and businesses, conservation education programs, water efficiency audits of large turf and landscape areas, and metering.

Approximately 150 urban water agencies -- representing the vast majority of California's urban water use -- have signed the conservation MOU. Other signatories include most of the state's leading environmental interests and other interested parties. The agreement led to the creation of the CUWCC, a public forum for pursuing the goals of the agreement and developing new conservation projects.

In 1996, the California Urban Water Agencies (CUWA) and the Environmental Water Caucus began negotiations to develop an assurance mechanism building upon the conservation agreement so that it could provide part of the overall CalFed Bay-Delta solution. Late last fall, those groups forwarded their proposal to CalFed for consideration.

"We felt it was better for us to collectively define a new standard for conservation performance rather than have some outside party develop it," noted Byron Buck, executive director of CUWA.

In the meantime, a wide variety of urban water purveyors, organized by representatives of Kern County Water Agency and Bear Valley Community Services District, grew concerned about certain aspects of the CUWA-EWC proposal as details emerged.

These concerns included proposals to require water wholesalers to play a role in compliance by any of their retail agencies. Also at issue is the calculation of the value of environmental benefits when determining the cost-effectiveness of any particular BMP.

"Our agency's position is that water conservation is good policy and an effective water management tool, but there has to be an objective and fair process for accomplishing it," noted Mary Lou Cotton, a water resources planner with the Kern County Water Agency. "Quantification of environmental benefits is currently too subjective to provide clear-cut criteria for implementing BMPs and making certification dependent on that."

Saddling water wholesalers with additional requirements was also a matter of concern, Cotton said.

"Water wholesalers should not have to play a role in compliance by retailers, which could interfere with existing contractual agreements," Cotton noted. "Wholesalers should only be required to implement those BMPs already specific to them, such as leak detection and repair, public education programs, and waste prohibitions."

"The CUWWA/EWC group felt it was important for wholesale agencies diverting from the Delta watershed to assist their retailers in implementing BMPs and help assure compliance," Buck noted.

"Additionally, we wanted to develop provisions where wholesalers complied based on their own actions so that their ability to meet their region's water needs was not compromised by non-compliance of any one of their retailers."

Both approaches leave enforcement actions to CalFed. Cotton says that more positive inducements, such as financial assistance and technical planning, should be provided to agencies as incentives for compliance before sanctions can be considered.

Following the workshops, CalFed staff will review the discussion and synthesize the urban conservation portion of its water use efficiency program. The revised program will be included in the draft environmental documents for the overall program, set to be released this spring and subject to further public review and comment.

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HYDROPOWER/ COMMENT - Editorial: Taming Water and Politics
San Francisco Chronicle - February 28, 1999

Pacific Gas and Electric Co. is about to turn over one of its most precious assets, its system of 68 hydroelectric power plants in 16 California counties.

The fate of that system should be a concern to all Californians. For starters, the amount that PG&E collects from the sale -- estimates range from \$1.5 billion to \$3 billion -- will affect utility bills.

Beyond that, this is a system with a profound influence on the state's economy and environment. PG&E's holdings include vast stretches of forest in delicate watersheds. Its decisions to withhold or release water at a particular time can be critical to rescuing a fish species, preventing a flood or assuring an adequate supply to farmers or cities downstream. Its forestry practices affect fire danger, wildlife habitat and water quality.

By all accounts, PG&E has been a fine steward of these resources. It has, when necessary, subordinated power generation in the interest of protecting the environment. PG&E, as a regulated utility, had no need to worry about its bottom line. It could afford to be a good steward.

That situation is about to change.

As part of the state's sweeping deregulation of the electric industry (AB 1890, passed in 1996), PG&E has the option to sell off its hydroelectric system to help pay off other debts that are now burdening ratepayers. It has already sold its fossil-fuel and geothermal power plants. The general concept for deregulation of power generation was sound: The marketplace could produce cheaper and better sources of energy than would be possible with a regulated monopoly.

But legislators failed to account for the peculiar characteristics of hydroelectric power. One of its appealing aspects is that, unlike thermal power plants, the turbines can be brought up to speed in a hurry if demand rises suddenly. A profit-savvy hydro plant operator can play the market, holding back production at certain times to help drive up prices, then jumping back in the market to capture the higher rates.

The market incentives, however, may not necessarily be compatible with competing demands to hold or release water from a reservoir.

As state Senator Debra Bowen, D-Redondo Beach, put it, the potential impacts of free-market hydroelectric generation were "not fully thought through" during the 1996 deregulation talks. "This is not a debate with just two sides," said Bowen, who chaired a recent Senate hearing on hydroelectric deregulation. "It has many sides."

PG&E's preference would be to transfer all of its hydroelectric assets to an unregulated affiliate, U.S. Generating Co. of Bethesda, Md., after an appraisal process.

Fortunately, the PUC has applied the brakes to PG&E's proposal, declining to take quick action on its request for an appraisal and transfer. Consumer groups note that an appraisal might not reflect the full market value of the plants -- depriving ratepayers of relief. Also, rural counties have been demanding a "right of first refusal" to buy the power plants, insisting they would be in a better position than a private company to preserve the watershed and balance the demands for revenue and water. The rural counties are understandably nervous about having the power plants operated by an unregulated out-of-state company.

"Water is different than coal or oil or nuclear," said Michael Jackson, a Quincy (Plumas County) lawyer and advocate for county control of the hydroelectric plants. "It is the lifeline of the environment and the agricultural industry."

PG&E has made a public pledge that, under U.S. Gen, the attention to environmental concerns surrounding the hydroelectric plants would remain at a high level, said Dan Richard, PG&E senior vice president. And the company would be willing to lock in that commitment through legislation or regulation, he added.

Some environmental and consumer groups, convinced that the conflicts between controlling the river for power profits and the needs of nature, agriculture and cities are simply irreconcilable, have talked about putting the hydroelectric system in a public trust. Public ownership, however, should be a last resort. The same goal of balanced stewardship could be achieved under private ownership -- if the Legislature develops clearer guidelines.

Governor Gray Davis must now step into the fray to help resolve this complex and contentious issue. His administration should bring the various factions together, and come up with a consensus to present to the Legislature that would yield both a fair price for the hydroelectric system and assurances that the environment and water supply will not become secondary to short-term profits in the power market.

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