

NCPA A Public Agency

Northern California Power Agency

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Mr. Lester Snow
Program Manager
CALFED Bay Delta Program
1416 9th Street
Sacramento, CA 95814

SUBJECT: Comments on Bay-Delta Program Activities

Dear Mr. Snow:

The following written comments are provided for your consideration in developing and implementing long term solutions to Bay-Delta issues. The process and the results are both important aspects of your Program, thus comments to both are supplied.

Mission Statement

While the wording will never be perfect to everyone, the Mission Statement as discussed at the last BDAC meeting appears to have the key elements included: Develop and implement; comprehensive and long term; achieve ecological health; balanced beneficial uses; and the Bay-Delta system. The problems and solutions are ecosystem-wide, as differentiated from other ongoing restoration activities which are more species- or habitat-specific. We suggest quickly moving past the discussion of the wording of the Mission Statement to developing action plans.

Perhaps the one element missing from the Mission Statement is that this process must integrate its assessment and decisions with other environmental restoration and enhancement activities. An example of this is the impact that the Trinity River Restoration will have on the ecosystem of the Bay-Delta Estuary. (Perhaps this - integration with other actions - should be included as a solution principle.)

We do need to be cautious in the associated presentation of solution principles, however. Specifically, the solution principle stated as "no redirected impacts". Being realistic, most all of *the solutions will have redirected impacts*. If a solution has no redirected impact, we would have implemented it already. The goal of solutions should be to have minimal negative redirected impacts, and those negative impacts should be equitably distributed. Equitable means that the costs should be burdened onto all beneficiaries of the Delta system and restoration activities.

The optimism that there will be no negative impacts is also reflected in your presentation of problem area linkages. There are linkages, and our goal should be to find those solutions which provide positive benefits to all entities (i.e., the overlapping area of the venn diagram). However, reality is that those

linkages may be often negative and may not exist. Let us not delude ourselves away from the challenge of a solution set which strives to balance distribution of, not elimination of, the costs of restoration activities.

The overall goals for each of the four elements of the Bay-Delta Program features could be clearer in their presentation on the Mission Statement chart. Specifically, "Provide good water" should be replaced with "improve" in the category of Water Quality. For Ecosystem Quality, operational practices needs to be incorporated into the statement of improvements in habitats and ecological functions. For the vulnerability of Delta Functions, a broader goal statement of "reducing the risk due to failure of the Delta infrastructure" should be incorporated.

Problem Statement

The forums and discussions of the past several months has provided the public and interested parties significant opportunity for input to problem statements and objective statements. While public consensus is important, technical basis is *at least as important*. Dick Daniels' discussion of limiting factor analysis is appropriate and timely for definition of solutions sets as well as clarification of Program sub-objectives.

Objective statements define the end result but can also address the focus of actions to be used in achieving the end result. Accordingly, a consensus based discussion of the technical factors behind the Bay-Delta, including a problem assessment and limiting factor analysis, should be undertaken. Otherwise, direction will be provided which may not be technically supported. As an example of a process which under-utilizes technical basis, consider the draft objective statements for ecosystem quality. Those objective statements include a priority action category - improving and increasing aquatic habitats, but this action is obviously a part of a larger objective of increasing population health and size of Delta species, which is stated as a separate objective. There are other action categories such as changing project operational practices and changing harvest practices that are de-emphasized in the current process. Is habitat the politically correct answer or is it technically based, or both? At this point in time of the process, we need to err in the direction of technically based priorities.

One step in the process that has been quickly passed over is the development and prioritization of *technically based sub-objectives* for each problem/objective statement area. The public forums provided significant considerations for these sub-objectives, albeit not always with a technical basis. However, as we proceed into alternative solutions, prioritization will require the development of these sub-objectives. As you clearly stated in one of your handouts, objectives describe what a stakeholder really cares about, reflecting underlying values. The current overall objective statements do not provide this value statement. The sub-objectives would accomplish clarifying value statements. Use the CVPIA experience as a example of what can occur if one bypasses this process step. While the law states that restoration of fish and wildlife is the goal, to date no sub-objectives have been defined or prioritized. The result is that we find ourselves more than three years into the program without significant on-the-ground projects but with significant cost outlays. A culprit to this failure is lack of vision and priority setting, so everyone has their own agenda without a need to fit it into a larger picture. A process which developed sub-objectives would not have been easy, but it could have alleviated some of the out-of-control activities that occurred and/or still occurring. The message to the Bay-Delta Program is we cannot do it "all" and we need to come to terms with that message.

The process of developing sub-objective statements advances the question of specific, desired outcomes from the Program. For example, is the goal of the Program to directly assist in doubling salmon fish populations or is it more limited (i.e., to reduce mortality of salmon as they migrate through the Delta)? The distinction is one that leads to action categories: are solutions appropriate that increase populations upstream or downstream directly, or are the solutions limited to reducing mortality in the Delta, with other forums addressing the needs of population-oriented solutions. We feel that the latter is more appropriate here given the defined Program role. Sub-objective statements would clarify the Program's intent.

The unfortunate contradiction to the above position is that the Bay-Delta Program appears to have the inclination and ability to provide an integrating role that other forums, such as the CVPIA, do not.

Alternative Categories

Your approach to get your arms around the solution set by defining "alternative categories" appears to be a valid and effective process step, recognizing that they are not rigid boundaries. The focus on multiple benefits and synergism is appropriate. The process can help identify the synergism as well as development of actions to achieve the overall objectives.

However, it is obvious that some actions do not fit into these category sets. The disjunction occurs because of lack of linkage to the objective statements and lack of clear sub-objectives. For example, how about using a category such as "reducing mortality losses for migrating fish species" instead of "reducing entrainment" as the first tier of category. With the aforementioned position of reducing in-Delta mortality as the focus for salmon species, do ocean harvest management questions, which are crucial for salmon restoration, apply to this Program? Also, project operational modifications seem to be inadequately covered. Where, logically, is fish predation losses addressed? Are fish hatchery actions limited to resident species, since this does not reduce mortality of natural producing anadromous fish?

One observation from participation in the public workshops is related to technical merits of the inputs. Again, political basis has merit, but at this point in time technical merits should predominate. The public forum does not necessarily accommodate that, especially with the mixed nature of backgrounds of participants at the workshop. Your team working in conjunction with a smaller technically-based stakeholder team, or some such similar process, would be more appropriate. Perhaps the Exxon Valdez Spill Fund management model has some merit here. This technical team interaction is in addition to public meetings/workshops.

Another observation involved the discussions of linkages of various actions. Some discussions incorporated linkage as positive or negative, but without an indication of the nature of that linkage. Without the understanding of the nature of the linkage, we may again delude ourselves away from the competing demands on the Delta. This assessment must be technically based. There is a connection to your matrix evaluation to development and interrelationship of sub-objectives, but somewhat veiled.

Regarding "improving system reliability" (which is related to reducing the vulnerability of the Delta functions), there seem to be apples and oranges actions presented. Is not flood protection improvement

an objective, with actions such as levee management and stability providing one possible solution to that objective? This again points to a need for sub-objective development to help "flush out" other possible solutions and linkages. Another action for this category is emergency contingency plan maintenance.

The action of establishing a funding mechanism applies to all action categories.

In summary, we feel that the development of action categories needs to be linked to a process of developing sub-objectives, and should be primarily technically based at this time. A process to enhance technical interaction that involves a smaller forum of technical specialists should be considered.

Financial Strategy

The financial strategy draft overview is thorough in exploring options. We do have several comments to assist in the continuing development of financial considerations.

The focus of revenue options on direct beneficiaries of the proposed actions should be differentiated from those options which are directed to various northern and southern California water project beneficiaries who have a mitigation responsibility. The water project beneficiaries may not get a direct water use benefit of the action, but rather a mitigation benefit, and thus should contribute accordingly. Accordingly, mitigation responsibilities must be based on a benefit analysis.

Relatedly, is there a need for cost transfer mechanisms? This might occur if one entity is found to have lost benefits and should be mitigated for at least a portion of their loss by beneficiaries who have a positive outcome from an action.

The revenue source options should explore all water project beneficiaries. Using this process, flood control obligations are clearly absent. A flood control obligation would parallel other water project beneficiaries such as agricultural and M&I water users, power contractors, recreation, and ocean and inland harvest. Several options for revenue exist, such as flood control assessments or insurance savings surcharges.

Impact Analysis

Although not yet addressed, several important aspects of impact analysis need to be considered during the action category development phase. First, a means to measure the success of an action must be considered, even if it is not as quantitative as may be desired. This measure of success would later be documented as part of the action plan.

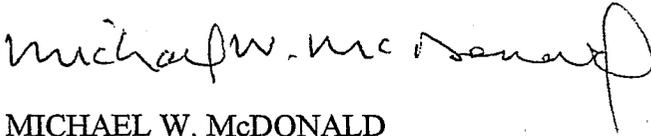
Second, the impact analysis must integrate the possible effect of actions to be taken in other restoration forums. One such example is the Trinity River Restoration Activities. Consider, for example, the importance of evaluating Bay-Delta impacts of various action plans within the context of reduced annual diversions of up to 800,000 acre feet from the Trinity River into the Sacramento River.

Mr. Lester Snow
December 4, 1995
Page 5

Third, the criteria for evaluating options against each other need to be defined. Let us not wait until that evaluation, and then find ourselves defining criteria as needed to meet our desired conclusion.

We look forward to the opportunity to continue working with your team, including the offer to provide a technical representative to work on the above technical assessment and objective statement issues. Please contact me at the above number if you have any questions or input on these issues.

Sincerely,



MICHAEL W. McDONALD
General Manager

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cc: Hari Modi
Roger Fontes