

Memorandum

Copies sent to: PW file
 Date: 3/29

Date : March 25, 1998
 To : Members of the California Water Commission
 and The Reclamation Board
 From : Raymond E. Barsch, Executive Officer
 California Water Commission
 Subject : Comments on Trip to Washington, D.C. - March 22 through 24, 1999

Three members of the California Water Commission's Federal Appropriations Committee and one member of The Reclamation Board held a series of meetings in Washington, D.C. on March 22 through 24. Those in attendance at the meetings were:

Mike Madigan - Chairman, California Water Commission; and
 Chairman, Federal Appropriations Committee
 Don Cecil - Member, Federal Appropriations Committee
 Vice Chairman, California Water Commission
 George Gowgani - Member, Federal Appropriations Committee
 Member, California Water Commission
 Raymond Barsch - Executive Officer, California Water Commission
 Barbara LeVake - President, The Reclamation Board
 Peter Rabbon - General Manager, The Reclamation Board

The itinerary (Attachment A) lists most of the meetings which were attended. At each meeting, the following material was provided: *Commission's Final Recommendations for Fiscal Year 2000* ("long list") - Attachment B; *Comments on Final Recommendations* ("short list") - Attachment C; and a document entitled, *Issue Papers* - Attachment D, which contains additional information on projects the Commission considers merit special attention.

At each meeting the programs/projects on the "short list" were discussed by team members. Also discussed were specific programs/projects from the "long list" that were of particular interest to the California Representatives and Senators.

A. CALFED Bay-Delta Program (CALFED)

The Commission supported the \$95 million in the President's Fiscal Year (FY) 2000 budget. They also supported extending the existing three year authorized time period in order to allow time to secure the \$430 million originally authorized. Most of the comments from the members and their staff indicated that the figure for FY 2000 would be about \$70 million.

Chairman Mike Madigan explained the efforts of CALFED at all of the meetings. There were comments that the process was slowing down, breaking apart, etc. Mike stressed that the process is no more or no less uncertain now, than it has been in the past. He told them that he does not believe that the funds have been misspent and that CALFED should not be penalized for not spending the allocations faster. He explained that CALFED is in the process of spending the money that has been allocated. An Ecosystem Roundtable was developed to coordinate State, Federal, local, and private expenditures, so that programs would not be inconsistent or overlapping. Also, they are working so that all of the projects are consistent with the preferred alternative that will come out of the process.

Mike feels that if the Federal Government pulls back now, it would send a very negative signal. It is important to keep everyone in the process at this time and allow it to come to a conclusion. The Bay-Delta Oversight Council (BDOC) was a State-only group, and it became clear that it could not work without Federal input. The Federal involvement is what changed the dynamics of the discussions.

B. Sacramento And San Joaquin River Comprehensive Study

Barbara LeVake presented this issue and noted that:

- The 18-month interim report is expected to be released by the Assistant Secretary of the Army's Office to Congress, in mid-April.
- An additional \$1 million is required to maintain the schedule to complete the study in 2½ years.
- The study is being coordinated with the CALFED and CVPIA projects along the Sacramento and San Joaquin Rivers.
- The State, which is the cost-sharing partner has the matching funds for this increase.
- She also distributed a 10-page brochure describing the study and its status.

C. American River Watershed

Pete Rabbon presented this issue and stated that the State is supportive of providing as much flood protection as possible for the Sacramento region and supported the planned modification of Folsom Dam outlets. The new State Administration does not have a position on the other American River issues under discussion by Congressional Representatives at this time.

D. Arroyo Pasajero Flood Control

Mike Madigan explained that the U.S. Army Corps of Engineers' Draft Feasibility Investigation Report would be released soon. He further explained that this is a very real and important flood control problem and that in his view the Gap Dam is the better of the alternatives that are under consideration. He has long felt that the problem as large as this cannot consider using the California Aqueduct as a dam to contain the floodflows as they race down the Arroyo carrying asbestos-laden sediment with them. The Commission is supportive of a conditional authorization in the Water Resources Development Act (WRDA) of 1999. The additional funding request would be used to design the alternative that will be selected this year.

E. Sacramento River Restoration at Glenn-Colusa Irrigation District (GCID)

Don Cecil presented this item, stating that additional funds would allow the very necessary project to be completed one year ahead of schedule. He explained the project has two elements: The fish-screen facility being constructed by USBR, and the gradient facility being built by the Corps. The gradient facility is a structure located in the Sacramento River which will simulate a natural riffle and raise the profile of the low flow channel.

F. Kaweah River

Pete Rabbon presented this item by stating that this project has been authorized by the State and Federal Governments. The local sponsor has purchased the mitigation property and the State has \$5 million for lands, easements and rights-of-way. Expenditure of funds may be subject to the signing of a Project Cooperation Agreement. The Corps cannot sign the Agreement until they have Federal funding for a construction start.

G. U.S. Army Corps of Engineers Projects under Construction

I explained that there were several projects under construction by the Corps that were not adequately funded in the President's Budget. Examples are: Los Angeles County Drainage Area Project, Santa Ana River Mainstem and Norco

Bluffs. The Commission supported increases in the Budget to fund the projects at a level adequate to maintain the construction schedule. Stopping and starting construction projects significantly increases the cost.

H. U.S. Army Corps of Engineers - Continuing Authorities

Mike Madigan and I explained the Commission's position on four important Corps programs. The programs are Section 205, small flood control projects; Section 206, Aquatic Ecosystem Restoration; Section 503, Watershed Management Restoration and Development; and Section 1135, Project Modification for the environment. These projects are included in a nationwide pot, which is not currently funded adequately for the number of individual projects it includes. The Commission, for the first time, is requesting that funding be increased for these programs. This was well received.

I. Coleman National Fish Hatchery and Winter-Run Chinook Salmon Captive Broodstock Program

Don Cecil explained how these were both success stories. The FY 2000 funding for Coleman would finish the restoration project, and it would be one of the finest, most modern fish hatcheries in the country. He explained that the Captive Broodstock Program is very successful. With the new Livingston Stone National Fish Hatchery located immediately below Shasta Dam and the increased number of returning winter-run salmon, the Broodstock Program can probably be completed with the funding in the President's Budget.

J. Cantua Creek

I explained how this problem, which was similar to Arroyo Pasajero, was being studied by the Department of Water Resources. Funding by USBR is needed to meet their obligation to help solve this flooding and sedimentation problem on this jointly maintained reach of the California Aqueduct.

K. PL 102-575, Title XVI - Water Recycling

Mike Madigan explained how requests for USBR funding was far exceeding the funding levels that have been appropriated. The Commission supported the President's Budget, but did not ask for additional funds. It is the Commission's view that water recycling projects should be supported within the limitations of available funds, giving due consideration to other potential sources of funds. The Commission agreed to work with the Bureau on language which will give the local sponsor greater assurance of future year support.

L. Salton Sea

George Gowgoni explained how the Commission had held meetings in the area and supported studies to determine a solution to this extremely large problem. He explained that whatever alternative is selected, it will be very expensive. The Commission supported the funding in the President's Budget for the USBR to continue work on their study. The Commission is also supportive of the scientific research that is underway.

M. Colorado River Salinity Control Programs

I explained that there are numeric criteria and standards that have been established for salinity on the Colorado River. Representatives from the Colorado River Board had testified at the Commission's March 5, 1999 meeting, stating that there were additional funds needed to fund the ongoing program that are underway to meet these criteria and standards.

COMMENTS FROM INDIVIDUAL MEETINGS

1. **Senator Barbara Boxer** - Rob Alexander, Senator Boxer's office, told us that Arroyo Pasajero and Success Dam were not in the present Senate version of 1999 WRDA, but he expected both projects to be added on the Senate Floor. He said it would be helpful for the Arroyo Pasajero Project if he had some support from the Metropolitan Water District (MWD), Senator Costa, and from the Governor's Office. Mike Madigan said we would see what we could do to generate the appropriate letters to the Transportation and Infrastructure Subcommittee.

Rob thought that the other California issues, yet to be included in WRDA, would put more pressure on Congressmen Doolittle and Matsui to reach agreement on the 1999 WRDA American River language.

When the Commission discussed adding funds to the Corps' Continuing Authorities Program, Rob felt that the Senator would follow up on this request.

2. **Senate Appropriations** - David Gwaltney said there was support for CALFED, but did not know how much of the \$95 million they could provide. Everyone is looking at the money. He said there are two main issues: How are the appropriated funds being spent and surface storage. He is also concerned whether or not all the programs are being coordinated.

Mike spent quite a bit of time explaining the CALFED issue.

When the Commission commented on the requested increase in the Continuing Authorities Program, Dave said the Office of Management and Budget (OMB) does not like them because it gives the Corps too much authority: When the Commission was discussing the water recycling projects, Dave said he thought the program was out of control. He said the Bureau has demonstrated that it works, now maybe EPA could fund it. Dave said he looks at the Commission as a unique organization and one he looks to for guidance on the issues. He also asked about Stan Barnes.

3. **Senator Dianne Feinstein** - Mike McGill and Kathy Reich of Senator Feinstein's office met with the team. Kathy said there was talk from the Republicans that large cuts in the Budget were being proposed: \$850 billion for Interior and \$372 billion for the Corps. This, of course, if it happens, would really make FY 2000 a difficult year. This was the only place we heard about this proposed cut.

Mike McGill said during the CALFED discussion that the Senator had asked that the authorization for expending the CALFED funds be extended until 2003.

Mike McGill asked a question on the Salton Sea: "Why not go upstream and put in desalters?" Mike Madigan explained that if Mexico treated its water, then they would reuse it. The Sea would still not get the fresher water it needs.

4. **Roger Gwinn and Joe Rader.** During a lunch meeting, Joe said that Congressman Ose's bill on the Colusa Basin Drain was a free-standing bill. It would authorize the Bureau to study, design and construct a series of small dams in the Colusa Basin Watershed.

Roger said he thought the compromise on the American River would be to modify Folsom outlets, raise Folsom Dam (wet or dry), minor levee work to balance both sides of the River. He thought it was possible to reach agreement by Thursday or Friday. (We heard more people say it would not be until after the Easter recess.)

5. **Office of Management and Budget** - Rick Mertens
U.S. Army Corps of Engineers - Barbara Johnson, Examiner
U.S. Bureau of Reclamation - Norm Starler, Examiner
Rick said they have not set the "mark" yet for all the subcommittees, it will be probably in April. If the mark is low, it will be very difficult to fund the projects even at the level in the President's Budget.

Rick wanted to know the State's position on the American River. Pete Rabbon said that all parties support the Folsom Modification and that the new Administration did not have a position on anything beyond that at this time.

Rick said they plan to finish the ongoing construction programs as best they can--trying to slow down the pipeline by not allowing new starts until other projects are finished.

Rick said they are being pushed by Congress to get the Corps involved in wastewater treatment.

Norm Starler asked about Stan Barnes.

6. **U.S. Fish and Wildlife Service** - Gary Edwards is transferring to Alaska in May. He will be Deputy Regional Director in Anchorage. Kathy Short will take over Gary's position.

We discussed the Invasive Species Program. Gary said there was some funding in the budget for a mitten crab control program. He said the Coast Guard will do a voluntary ballast water transfer at sea program. If this is not followed, they will make it mandatory.

7. **Eluid Martinez, Commissioner of Reclamation**, said everyone is after a part of the CALFED \$95 million. He will try hard to hold the line. He is getting the question: "Why do you need more, when you haven't even spent what you have?" Mike Madigan gave him his explanation of CALFED.

When discussing the request for increased funding for GCID, the Commissioner said he felt they could reprogram within their existing budget if funds are not added. They want to get this project completed.

He said he was looking forward to increased funding for Title XVI projects. He thought they might get \$40 million in FY 2000. (President's Budget is about \$30 million.)

8. **House Appropriations for Energy and Water** - Jim Ogsbury, Staff, and Jim Sherman, on detail from the Corps of Engineers attended the meeting. Ogsbury said that this Subcommittee is a donor committee, but that Ron Packard's heart was in the right place. He said the 13 Appropriation Subcommittees will have somewhere between \$10 and \$45 billion less than was in last year's budget. This is going to make it very difficult to fund all the requests. Ongoing projects will be funded first.

On CALFED, I understood him to say that they felt there would be \$20 million for water availability and storage, no matter what level the \$95 million turns out to be.

- 9 **Congressman Richard Pombo** - Todd Willen of Pombo's staff said during discussion on CALFED, that the Congressman is worried about spending all the money on restoration. He supports storage as part of the solution. He said that Lester Snow should make contact with Pombo--it has always been Pombo contacting Lester Snow. He said no one had been there to tell them about CALFED.

Todd said, concerning the American River, that the Congressman is trying to help develop a solution. He thinks the agreement will be to raise Folsom Dam (wet or dry), Folsom Modification, levees on both side of the river equal in height, and a water supply for Doolittle and San Joaquin County (Folsom South). This is the first time we had head about water supply except for Placer County.

10. **Congressman Gary Condit** - Robert Guenther of Condit's office said that the Congressman has a very good relationship with the Governor. He said they are concerned about CALFED spending the money; however, he said they would support the \$95 million.

Robert said they are concerned that the locals are having trouble agreeing to pay their share of the Merced Streams project. We said this is also a concern of the Commission. The Commission does not want to support projects for studies and then have them stall after large expenditures because there is no local share for constructing the projects.

11. **Congressman George Brown** - Congressman Brown and Patrick Quinlin of his staff met with the Commission to discuss the Salton Sea issue. The Congressman is still optimistic that something can be done. He does not see a conflict between the Salton Sea and CALFED.

He wants to see the study completed this year and then start making larger appropriations next year.

He feels that Imperial Irrigation District is a problem and that they need guidance. He would like to see the Department of Water Resources, and the Water Conservation Office help them with water conservation.

He said in-sea levees and impoundments are not good. He said this is a seismic area and any risk analysis would rule out impoundments.

The Congressman thinks there is a lot of water around the areas that could be used to stabilize the Sea. He said they need more cooperation from the State. He said "You are involved in the North, you need to get involved in the South."

12. **Congressman Cal Dooley** - Congressman Dooley and Mark Kramer of his staff met with the Commission and The Board. The Congressman said we are not going to wind up with \$95 million for CALFED--maybe \$75 million and hold \$20 million for storage. We think we must have new yield. He said we are having the same problem now that we had last year with the State bond bill. With the budget cap, it is difficult to explain to other states, why more money should go to CALFED when the records show we have not spent what we have.

Cal said we need to slow down on Arroyo Pasajero until a local sponsor is determined.

13. **Congressman Doug Ose** - Congressman Ose, Matt Mayor and Marco Mlikotin of his staff met with the Commission and The Board. The Congressman said that CALFED is supportive of his bill for the Colusa Basin. This bill includes several small dams on the westside tributaries to this area.

The Congressman said he had been a courier between Matsui and Doolittle and did not want to discuss the negotiations at this time.

14. **Congressman Wally Herger** - Congressman Herger and Dalles Scholes of his staff met with the team. Congressman Herger said opposition is growing in his area over CALFED not building anything yet. He wants to see storage. He said we need water for the environment, for agriculture, and for the increase in the population.

15. **Congressman Robert Matsui** - Steve Mastorakos of Congressman Matsui's staff discussed CALFED. The Congressman will try to get as much as possible but for everyone to keep working and keep talking.

On the American River, he said there was no agreement; however, people are getting together. It won't be this week but, after recess next week. He said the raising of Folsom Dam might give about the same level of protection as raising downstream levees. I believe this could be a new element that might lead to a compromise.

16. **Congressman John Doolittle** - Congressman Doolittle and Bob Faver of his staff met with the team. Just as we started the meeting, the Congressman had to leave to vote, so we finished the list with Bob.

Mike Madigan discussed CALFED. Bob said there is very little spent so far and even more troubling is that there is no objective criteria to say we are getting what we are paying for.

Bob asked if we could discuss or hold hearings on Bulletin 160 water demands and population projections. Mike explained we had hearings and did not get

any real argument on the numbers. Mike felt it does not really matter if the numbers are (+ or -) a year or (+ or -) a million people. The problem is the same, we need more water in the future. Bob still wanted something they could use to say the questions had been asked and what the consensus is. We said that maybe we could put it on our agenda.

17. **Governor Davis' Office** - David Kim, Representative for The Resources Agency in Governor Davis' Washington, D.C. office, had a breakfast meeting with us on Wednesday morning. He told us about his duties, and we filled him in on our mission. He just started to work on March 22, 1999. However, he has experience in Washington, D.C., and is from California. He seems to be a quick study. We look forward to working with him on many issues.
18. **Congressman Ron Packard** - Eric Mondero of the Congressman's staff was a little upset that he did not know we were meeting on Monday with Jim Ogsbury, of the Appropriations Subcommittee. He said next time coordinate with him and they will both meet with us at one time.

He is not too optimistic about getting a "mark" that will allow Congressman Packard to fund our requests.

On the American River, he said it was out of their hands. If it is authorized, they will fund it.

He said during the Appropriations Hearing with the Corps on March 23, 1999, the Corps was asked why they did not put enough in the budget to fund the projects that are 95% complete. The Corps said they did and OMB cut the funds.

The Commission and The Board have copies of the Corps' testimony given by Dr. Westphal, Lt. General Joe Ballard and Major General Russell Fuhrman at the Appropriations Hearing. If anyone wants copies please call.

19. **Congressman George Radanovich** - Tricia Garengar of his staff explained that the Congressman was unable to keep his appointment with us, so we went over the major items with her. She is on top of things in her district and is very interested in all the subjects. Mike Madigan discussed the CALFED issue at some length.

She did tell us that Doolittle would pull the American River off the 1999 WRDA if it looked like it was holding up the bill.

20. **Congresswoman Mary Bono** - Anthony Orlando of her staff said they are still working hard on the Salton Sea. We gave him our briefing packet and let him know we had met with Congressman Brown.

21. **Brian Bryson, Peter Luisa and John Lucyshyn, Corps Headquarters** - Brian said that the Corps hearing went well. Congressman Packard asked questions on regulations. He wants the Corps to help the locals with the process--not make it hard or string them out and then say "No". Delegating decisions by the Corps to lower levels was discussed. It came out that the Assistant Secretary of Army had not talked to the Chief's Office about this; however, they will within the week.

We went over most of the Corps projects with them. Brian said the Chief is scheduled to tour the LACDA project on March 30th.

22. **Dr. Westphal and Jim Schmidt** - He said that the hearing was friendly, but different than he expected--two and a half hours of a variety of questions.

We discussed CALFED. Dr. Westphal wants to get more involved in CALFED. He wants Mike Madigan to figure a good time for the Secretary of Army (The Honorable Louis Caldera) and Dr. Westphal to come to California. Mike will follow up on this. He also said he is hopeful that Governor Davis moves forward with CALFED.

The last thing he told the group was: "If you have something that you feel is important, you should focus on the Administration."

23. **California Marine Affairs and Navigation Conference (CMANC) Reception** - Mike Madigan had to return to California for a CALFED meeting; however, the rest of the team attended the CMANC Reception held Wednesday evening, March 24, 1999. Everyone had a chance to talk to Congressman Ron Packard, Dr. Westphal, Col. Madsen and many others.

24. **Lt. General Joe Ballard** - Barbara Le Vake and Pete Rabbon met with General Ballard and staff on March 25, 1999. They expressed concerns about the timeliness of processing project agreements, the cost effectiveness of the PL 84-99 emergency program, implementing nonstructural alternatives, and delegation authority for Districts and Divisions. They also discussed the long-term direction of the Corps.

General Ballard was aware and concurred with all of the concerns. He is working on various draft policies to address these issues, but advised that it will take time.

General Ballard reconfirmed that the Corps' partners must be involved early with issues that impact nonFederal sponsors. When necessary, staff from the District, Division, and Headquarters will participate directly on resolving issues.

General Ballard will direct Division staff to release Draft PL 84-99 Policy to The Reclamation Board for review and comment.

- 25. National Association of Flood and Stormwater Management Agencies.**
The Reclamation Board/DWR is a member of NAFSMA. Pete Rabbon, a NAFSMA Board member, presented a draft survey regarding State participation in the Corps' PL 84-99 program. The survey will evaluate the various levels of PL 84-99 assistance provided to states throughout North America. The survey will be discussed at the April NAFSMA Board meeting.

Pete is recommending that NAFSMA sponsor the survey.

- 26. Senate Appropriation Subcommittee -** Pete Rabbon delivered a briefing packet to the minority staff. They were unavailable for discussion. Pete and I did talk to them at the CMANC reception Wednesday evening
- 27. Congressman Mike Thompson -** Barbara and Pete met with Congressman Thompson and Christopher Channey, his legislative assistant. The Congressman focused only on projects in his district, except for the Salton Sea Study. He expressed concern about the potential high cost for implementing a long-term solution.

cc: Mary Nichols, Secretary for Resources
David Kim, Governor Davis' Office, Washington, D.C.
Thomas M. Hannigan, Director
Department of Water Resources
Raymond D Hart, Deputy Director, DWR
Stephen L. Kashiwada, Deputy Director, DWR
Lester A. Snow, Executive Director
CALFED Bay-Delta Program