

**California Bay-Delta Public Advisory Committee**  
**Water Supply Subcommittee June 23, 2004 Meeting Summary**  
**Bonderson Building Hearing Room**  
**9:00 a.m. to 12:00 noon**

**Introduction**

The following subcommittee members and alternates attended the meeting: Jerry Meral, Steve Hall, Bernice Sullivan, Alan Zepp, Van Tenney, Marguerite Naillon, Gary Bobker, Mike Rippey, and Randall Neudeck

The meeting focused on the following agenda items

1. Common Assumptions Monthly Update
2. Surface Water Storage Criteria for Prioritization
3. Discussion of CALFED Financing Issues
4. Program Plan Review for Water Transfers Program
5. Delta Improvements Memorandum of Understanding

**1. Common Assumptions Monthly Update - Presenters: Nannette Engelbrite (Reclamation) and Sean Sou (DWR)**

The objectives of this effort are to develop common model codes, common quantification of model inputs and outputs, common analysis procedures, and common performance measures for CALFED storage projects. The presentation reviewed the organization, coordination, and responsibilities of all the work groups, technical and management teams involved in the common assumptions effort. See attached presentation. Four Common Assumptions teams have been established; these teams are leading the effort and coordinating with agency management. The new, fourth team will be working on developing common tools, assumptions, and methodologies for economics analyses and will have a kickoff meeting in July. Accomplishments include completion of a CALSIM II interim baseline and completed definitions of project specific scenarios to be modeled with the interim baseline. The Common Assumptions Team has developed a near-term schedule for work on the interim baseline through the fall and a long-term schedule for baselines for use in plan formulation reports and EIR/EIS's (CALSIM II and DSM2 baselines scheduled to be completed in the first quarter of 2005).

**Audience Comments:**

The issue of coordinating Common Assumptions efforts with the Ecosystem Restoration Program was raised; coordination is taking place through the Authority's Water Use Efficiency Year 4 Evaluation. The issue of adopting the recommendations of the peer review of CALSIM II was also raised; the Common Assumptions Team is coordinating with DWR and Reclamation's modeling groups to develop a list of issues to be considered in the development of the long-term baselines. A question of how environmental justice issues are being considered in the Common Assumptions effort was raised; the effort focuses on hydrology and can provide output that allows assessment of environmental justice effects. However, it was clarified that all projects will consider environmental justice impacts in the EIR/EIS. There was a question on why Level 2 refuge deliveries are not included as a part of water supply reliability in the reporting metrics. Staff agreed

with the recommendation and will add it to the list. The audience asked if the economics workgroup is open to input from those outside of the CALFED agencies. The forum for input to the economics workgroup will be through the Common Assumptions ad-hoc stakeholder technical workgroup.

**Subcommittee Comments:**

The subcommittee agreed that the stakeholder technical group needs to be less “ad hoc”; the agencies should broadly notice the group’s meetings and request additional stakeholder representatives to join and regularly participate in the Stakeholder Technical Work Group. The group’s goal is to collaborate and share information. Consensus may not be possible on all issues and final decisions will still be the responsibility of the lead agencies. There was a question on whether the Common Assumptions long-term schedule can be met. The subcommittee requested that a stakeholder technical meeting be held to review the interim and long-term (in progress) baselines and reporting metrics in July and that a representative from the group provide a briefing at the next subcommittee meeting.

**Action Items:**

- The Common Assumptions effort will add Level 2 refuge deliveries to the reporting metrics under water supply reliability.
- The Common Assumptions Team will distribute the list of current ad hoc Stakeholder Technical Work Group members.
- The Common Assumptions Team will post the next Stakeholder Technical Work Group meeting on the WSS webpage, and additional representatives may be added to this group.
- A representative from the Stakeholder Technical Work Group will be asked to brief a summary of their meeting at the August Water Supply Subcommittee meeting.
- The CALFED agencies will distribute a list of economics workgroup members to the subcommittee.

**2. Surface Water Storage Criteria for Prioritizing Work Utilizing Proposition 50 Bond Funding - Presenter: Steve Roberts (DWR)**

Co-chairman Steve Hall began by saying that in the next six months DWR must finish the first iteration of Common Assumptions and continue only the highest priority work on the five surface storage projects, which includes developing project partnerships. Mr. Roberts’ presented recommended Proposition 50 bond fund allocations for the next three fiscal years, explained criteria for possible shifts in allocations, described prioritized tasks for the first 6 months of next fiscal year, and sought stakeholder feedback for DWR management—all with the objective of finalizing the prioritization plan prior to the next Bay-Delta Public Advisory Committee (BDPAC) and California Bay-Delta Authority (Authority) meetings. His presentation on funding recommended carrying over current year Proposition 50 bond funds into future fiscal years. High priority tasks common to all five projects will include: the Common Assumptions efforts, identifying partners and forming partnerships, economic model review, Public outreach, the second progress report, and coordinating with Reclamation and the Authority. Project specific tasks were then covered in the presentation. See presentation materials. Output from this work will be available in late fall.

**Comments:**

Co-chairman Jerry Meral mentioned that the state law limiting State agencies' participation in investigations to raise Shasta Dam was not as restrictive as staff and fellow subcommittee members think. One subcommittee member asked that a JPA be formed by all participants for the North-of-the-Delta Offstream Storage project.

**Action Items and Recommendations:**

- DWR should prepare a schedule for these next 6 months to include: Common Assumptions activities, the development of partnerships, and all other work covered in the presentation.
- DWR should brief the subcommittee on the progress of surface storage prioritization and proposed funding regularly during the next six months.
- DWR staff (including Mr. Roberts) should meet with the co-chairmen and Van Tenney to discuss Co-chairman Meral's view of the state's flexibility in studying Shasta's enlargement.

**3. Discussion of CALFED financing issues - Tom Gohring and Loren Bottorff (Authority consultant)**

This agenda item began with a presentation covering the process and reports prepared to determine CALFED program finance needs, sources of funds, and unmet needs. A fundamental principle of the CALFED program is that costs should be paid by the beneficiaries, to the extent possible. The finance options presentation included the costs of the conveyance and groundwater components and an example surface storage project. Next steps include public outreach through the BDPAC's subcommittees with final staff recommendations on financing options and long-term CALFED financing by October.

**Subcommittee Comment:**

There was general concern by Subcommittee members that budget numbers in program plans continue to change over time. Until the program plans have incorporated all their comments and finalized they would be uncomfortable in approving them. Co-Chairman Hall commented that every CALFED project has clear beneficiaries and the implementing agencies will recommend a cost share. Ultimately the fate of each project is up to the financial support it gets from its participants-not in user fees.

**Audience Comment:**

There was substantial concern about the openness of the financial plan development process; this concern will be discussed at the various BDPAC subcommittee meetings throughout the summer.

**Action Item:**

- The Authority must keep budgets that it presents consistent over time or better explain changes in costs and other budget numbers if the Subcommittee is asked to review and approve program plans.

**4. Program Plan Review for Water Transfers Program - Presenter: Dean Reynolds (DWR)**

This program facilitates and monitors water transfers between willing sellers and willing buyers. The program is working to increase the availability of existing conveyance facilities, increase the availability of market information, coordinate between different interests (including water rights, the environment, and local economic interests), and lower transaction costs.

**Audience Comments:**

Comments from the audience clarified this program's non-involvement in legislation. There was concern that there are no annual numeric goals for this program and no long term goals.

**Subcommittee Comments:**

Co-chairman Meral asked how much water from this program is being used to meet CALFED objectives. Staff referred the Subcommittee to the following DWR website for that specific information: [http://www.watertransfers.water.ca.gov/water\\_trans/water\\_trans\\_index.cfm](http://www.watertransfers.water.ca.gov/water_trans/water_trans_index.cfm). There was substantial concern about the program plan approval process and how to highlight outstanding or unresolved issues. Extensive discussion followed, resulting in the first of the following two action items.

**Action Items:**

- The subcommittee received the report of this program plan and recommended that the BDPAC receive the report and comment on it as appropriate.
- The Authority should provide guidance to the subcommittee on the program plan approval process.

**5. Delta Improvements Memorandum of Understanding - Presenters:**

Kathy Kelly (DWR) and Patrick Wright (Authority)

The first draft of the memorandum of understanding on the Delta Improvements Plan received comments from the BDPAC and from the public. A new version is out; it will go to the BDPAC and the Authority. The Authority will then sign it and recommend other CALFED agencies do the same. This new version of the MOU expresses support for Delta levee improvements and is essentially an update of all schedules and linkages in the ROD.

**Subcommittee Comments:**

The changes in the new version of the MOU were appreciated; the MOU should, however, clarify the difference between how the State Water Project and the Central Valley Project would operate under intermediate steps and under full implementation.

**Audience Comments:**

Clarification was needed regarding what the MOU does and does not do. One recommendation was to game the MOU requirements with actual flows from the past three water years and report the net effect of the new operation rules under the MOU.

**Action Item:**

- At the next BDPAC or Authority meeting the SDIP MOU must be more clearly explained, specifically the changes in its dealings with water quality and environmental impacts and

the changes in how operations under intermediate steps and full implementation are distinguished. The intent in what some consider “fuzzy” language should be explained or a clearer explanation should be given to correct misunderstandings.

**Public Comment:**

There was no additional public comment.

**Next Meeting:**

The next BDPAC Water Supply Subcommittee meeting will be on August 11.

The meeting adjourned at 11:59 a.m.