PROJECT MANAGEMENT TEAM - RECORD OF MEETING

Date of Meeting: September 9, 1999 ***Time:*** 10:00 am

Location: California Department of Water Resources
2440 Main Street
Red Bluff, CA

Attendees

Ed Solbos, USBR	Jean Oscamou, PGE
Bill Mendenhall, DWR	Phil Scordelis, FERC
Richard Welsh, USBR	Jim Smith, FWS
Russell Smith, USBR	Joel Medlin, FWS
Steve Edmondson, NMFS	Walt Hoye, MWD
Bob Lee, Watershed Conservancy	Curtis Anderson, DWR
Dave Gore, USBR	Tom Hepler, USBR

Agenda

1. Welcome/Introductions
2. Project Management Team Membership and Structure
3. Technical Team/Sub-Teams Structure and Organization
4. Review of Provisions of MOU
5. Communication Protocol
6. Restoration Project Implementation Process Flow Chart
7. Implementation Schedule
8. Budget
9. Status of Current Activities
10. Miscellaneous
11. Outstanding Issues/Open Discussion
12. Close Out - Review Action Items - Set Next Meeting

Meeting Record:

1. **Welcome/Introductions:** The meeting was attended by five of the seven member organizations. In addition, the Battle Creek Watershed Conservancy and FERC representatives participated.

2. **Project Management Team Membership and Structure:** In accordance with the provisions of Memorandum of Understanding (MOU), the USBR needs to internally select a chairman to oversee future meetings. The role of non-governmental organizations (NGOs) and other interested parties was also discussed. The MOU Sections 8.2A and C specify formal membership on the Project Management Team (PMT) or Technical Team (TT) (see item 3 below). Provisions to assure the opportunity for public participation at PMT and TT meetings, including NGOs or any other interested persons, are specifically made via Section 8.5 of the MOU. Means to publicize meetings and have minutes available are part of the communication protocols being developed (see item 5 below) and in accordance with provisions of the MOU.

3. **Technical Team/Sub-Teams Structure and Organization:** Provisions of Section 8.2 of the MOU pertaining to the membership, structure, and responsibilities of the TT were discussed. The existing structure of ongoing technical sub-teams was described. Technical sub-teams have been or will be formed for environmental compliance/permitting, design, construction, monitoring/adaptive management, real estate, and public involvement. The intent of the TT is to allow the Project Manager a core group of individuals through which implementation efforts can be coordinated and tracked. In order to meet the objectives of the TT ideally the members would be the leaders of the various technical teams. This poses a problem in that most of the technical sub-teams are led by USBR people. However, it is desired to have

representation from all agency participants on the TT. Consequently, it was decided that the TT would be composed of the sub-team leaders plus a representative from DWR, the SWRCB and PG&E as necessary to assure all entities identified as TT members are represented. Earlier discussions about sub-teams envisioned that separate teams for environmental permitting, monitoring plans, and the adaptive management plan would be formed. However, because of the overlap in membership it was decided to combine the permitting and environmental compliance sub-teams and to combine the monitoring and adaptive management teams. (*Note: Following the PMT meeting further discussions pointed out that the MOU clearly defines a specific team structure at both the policy and technical levels for development of the Adaptive Management Plan. During the meeting an attempt was made to differentiate between construction monitoring (primarily associated with permit requirements), physical monitoring as may be required by FERC under the license amendment process, physical, environmental, and biological monitoring associated with the adaptive management plan being developed specifically for the Battle Creek Project, and broader monitoring being done for the Central Valley Project Improvement Act, CalFed, and other fishery programs. It must be clear that under provisions of the MOU there are two sets of project management and technical teams defined, one for project implementation and one for adaptive management. The meeting on September 9 (the subject of these notes) was a meeting of the project implementation PMT. In the context of the project implementation PMT, the monitoring sub-team is primarily focused on construction monitoring and ensuring that designs of facilities incorporate the necessary physical features necessary to facilitate any monitoring that may ultimately required under the adaptive management plan or by FERC. The decision to combine the project implementation monitoring sub-team with the adaptive management team was based on overlapping membership and a recognition that the adaptive management plan (and its monitoring requirements) must be integrated into the designs of facilities and into the environmental compliance documents (project implementation actions). There are many sensitive issues associated with adaptive management and its monitoring requirements (see item 6 below). It is essential that the communication protocols be formalized as soon as possible so that the Adaptive Management Project Management Team and Technical Team can be formed as soon as possible. Adaptive management issues need to be primarily addressed in this forum rather than the project implementation PMT.)*

4. **Review of Provisions of MOU:** The importance of the MOU for the PMT members was stressed as it gives guidance on implementation of the project. Several sections were referenced: a) Section 4.1 This section gives a description of all of the facilities included in the Project. The smaller features can not be overlooked; b) Section 4.2 This section covers prescribed instream flow releases. If the prescribed flows do not begin on January 1, 2001 the forgone power payment needs to be adjusted. In light of the draft schedule developed this adjustment may be necessary; c) Section 5.5 Discussions have begun with the State Board in relation to required water rights actions; d) Section 6 L Funding must be provided out of the CalFed budget for funding PG&E and various other agencies for various activities under the program. This relates back to budget discussions (see item 8 below).

Each PMT member was urged to review the MOU for various sections of particular importance to them as various commitments have been made through the MOU. Some of these affect schedules and budgets and must be accounted for.

5. **Communication Protocol:** The draft communication protocol was presented. The importance of reviewing the draft protocol for consistency with provisions of the MOU was stressed. Mary Marshall of the USBR was tasked with coordinating with Angela Risdon of PG&E. Some discussion continued regarding the role of the NGOs in the process and meeting notifications. Discussions focused on the differentiation between communications required for NEPA/CEQA compliance, FERC processing, and everyday implementation activities and the required prior notifications at these various levels.

6. **Restoration Project Implementation Process Flow Chart:** A flow chart layout of the schedule was displayed. The main focus of the discussion centered around how the various pieces of work must ultimately come together. As scheduled, the primary concern is the need to bring the draft NEPA/CEQA documents, draft biological assessment, draft specifications, draft adaptive management plan, draft monitoring plans, and draft FERC amendment application together for concurrent review. Then, ultimately, the final versions of each of these documents need to come together for actual filing of the amendment application. The need for a final CEQA document before the water rights transfers can take place was pointed out.

   Some discussion occurred as to what level of design drawings and NEPA/CEQA documents actually need to be filed with the FERC amendment application. Discussions to date have focused on the need to provide as much detail as possible with the FERC application, hence the layout of the flow chart to show final specs and other documents being filed with the application. However, this results in dual reviews. The required public reviews that would be conducted for the NEPA/CEQA documents would be completed prior to the filing of the application. After receiving the application FERC is required to undergo its own public review process. Hence, a procedural overlap occurs as a NEPA/CEQA document has undergone two public reviews. If draft documents were to be submitted with the FERC application, the potential arises for saving some time by conducting only one public review process.

   Any public hearing/review process associated with the State Water Resources Control Board actions related to the water rights transfers must be accounted for also. Concern was also expressed that activities related to the adaptive management plan need to be accounted for in the NEPA/CEQA documents. Consequently, from a process standpoint, it is imperative that activities related to the development of the adaptive management plan need to proceed.

   Procedurally, the need to do an EIS/EIR versus an environmental assessment was also discussed. FERC typically does EA documents rather than full EIS/EIR documents. Several in attendance did not see the NEPA/CEQA for this project to be overly complicated. It was felt that further discussion of this option should be held at the environmental sub-team meeting.

7. **Implementation Schedule:** Discussions on the schedule followed along the lines of the process schedule. As the schedule is laid out now the critical path lies in the environmental compliance and FERC processing timeline. The desire to begin construction in the year 2000 was also discussed. This would require shaving three to four months off of the schedule. Key dates that were identified include:

    - Draft NEPA/CEQA Document: May 2, 2000
    - Final NEPA/CEQA Document: October 25, 2000
    - Sign Record of Decision: February 28, 2000
    - Alternative Design Phase: September 1999
    - Concept Design Phase: Complete December 31, 1999
    - Design Phase: Complete May 1, 2000
    - Draft Specification Phase: Complete June 20, 2000
    - Final Specification Phase: Complete September 29, 2000
    - Award Construction Contract: March 28, 2001

8. **Budget:** A breakdown of the available funding through the CalFed $28 million approved contract and earlier CalFed contracts with the Department of Water Resources through the Bureau of Reclamation and CUWA (funding total $790,000) compared with estimated costs was presented. While design estimates include some dollars for contingencies, a total of about $465,000, a little less than 2% of the total budget, is estimated to be available to cover any additional unexpected or unbudgeted items. Given the reconnaissance level of designs that went into the estimates used for developing the program budget, this 2% causes some concern. Costs will have to be tracked carefully as the project proceeds.

9. **Status of Current Activities:** A summary status of various activities is presented below:

    - Alternative Planning: 5 alternatives have been outlined that will be presented for NEPA/CEQA consideration. A package outlining these alternatives is nearing completion in draft form and should be available for review.
    - Design Activities: The Department of Water Resources has tentatively agreed to take on final design activities related to all of the screens and ladders associated with the Restoration Project. Concept design activities are proceeding along very well. Monthly screen and ladder coordination design meetings are being held. The Bureau of Reclamation is proceeding with design data collection. Geologic drilling and other investigations for the South Powerhouse tunnel bypass should begin in early October. Other mapping, geomorphic studies, sediment and water quality sampling, and general design data activities are proceeding. Reclamation is also proceeding with concept designs for the Inskip Powerhouse bypass facilities located at Coleman Diversion Dam.
    - NEPA/CEQA Activities: The process for selecting a consultant to complete environmental documentation is proceeding and a contractor should be selected and ready to start work by November.
    - Right of entry permits to do design data collection at Inskip Diversion Dam have been drafted and permission should be received from the landowners shortly.
    - The third party agreement with The Nature Conservancy has been undergoing review and discussions between PG&E and the Nature Conservancy. Once this process has been

completed a broader review by all of the signatories to the MOU will be conducted. We hope to have this agreement in place by November.

- Adaptive Management/Monitoring: The need to start these activities soon was discussed. Some anticipated elements of the monitoring program need to be identified as soon as possible to allow inclusion of physical provisions for equipment in the facility design currently underway. A fair amount of discussion about the adaptive management plan that needs to be developed occurred. Based on input during the MOU negotiation process the non-governmental organizations will likely have the most interest in this aspect of the project. The need to proceed with these activities was also discussed in the context of needing to get the communication protocol out to assure adequate notice to interested parties and access to information. The goals of the Restoration Project need to be clearly established as the first step in the development of the adaptive management plan. It was pointed out that the MOU defines some broad goals for the project. This discussion also sparked questions about the role of the Battle Creek Working Group. Bob Lee of the Watershed Conservancy felt that the adaptive management function should be taken over by the Battle Creek Working Group. Others referred back to provisions in the MOU which establish the responsible entities for development of the adaptive management plan and define the roles of non-governmental organizations and other interested parties. The MOU negotiation process was discussed in relation to formulation of the adaptive management sections. It was reported that during the MOU negotiations the organizational structure of other restoration projects was considered to help formulate the Battle Creek organization. This review included how non-governmental organizations and other interested parties were treated in these other programs. Reclamation reported that the Working Group should still be kept informed of the Restoration Project activities and continue to provide input but the Working Group also had broader watershed interests that needed attention also.

  More detailed discussion also occurred regarding the goals and objectives of the adaptive management program. Bob Lee related the criteria being discussed as the basis for the decisions of the adaptive management group were also in a certain sense the criteria for determination of success of the project. Lee had concerns that the criteria being discussed informally, flows, temperatures, and fish passage, did not seem to square with outside expectations for the project, which were above all, in his view, the number of fish. Others felt that this discussion was very much needed but that it more appropriately belonged in the context of the Adaptive Management Project Management Team and Technical Team.

  It was reported that adaptive management issues and the role of the Battle Creek Working Group were sensitive issues that were circulating informally and that this would be a major topic at the upcoming Working Group meeting on the September 21.

10. **Miscellaneous:** A brief status report was given by PG&E in relation to deregulation/ divestiture issues and effect on the Battle Creek Project. Issues are still up in the air regarding the divestiture proposals before the State legislature and consequently any influence on the Restoration Project are difficult to predict at this time. However, regardless of what route divestiture might take, the MOU is structured in a way that any entity

succeeding PG&E Co. as the hydro project owner would be bound by its provisions. A brief discussion related to the Coleman National Fish Hatchery reevaluation was also held. There are potentially significant issues related to this FWS effort that could affect the Restoration Project. Close coordination between the two efforts is required.

11. **Outstanding Issues/Open Discussion:** No additional outstanding issues were discussed.

12. **Close Out - Review Action Items - Set Next Meeting:** The next meeting has been tentatively set for November 4, 1999 at 10:00 in Red Bluff at the Department of Water Resources offices.