Agenda– Framework for Implementation

San Joaquin River Restoration Program

Date: *Monday, October 27, 2014; 9a-4p*
Location: *CSU Stanislaus, MSR-130 – Turlock, California*
Conf. Line: *Not Available*

Purpose:

- Establish common expectations on the process for updating the Framework in a manner that is consistent with the Settlement and Settlement Act;
- Provide participants with an overview of the accomplishments of the Program and the need and purpose for updating the Framework;
- Establish a common understanding of the Settlement, Settlement Act, July 2014 version of the Revised Framework, Program funding, and opportunities and constraints that Reclamation faces in implementing the Settlement and Settlement Act; and
- Demonstrate and provide participants with a tool to develop their own schedule/funding for implementing the entire Settlement.

Schedule:

9:00a – Introductions
9:30a – Process Overview
10:00a – Key Provisions of the Settlement and Settlement Act
11:00a – Revised Framework Overview

Noon– Lunch

1:00p – Revised Framework Overview (continued)
2:00 p – Funding Overview
3:00p – Schedule/Funding Tool
3:30p – Next Steps
4:00p – Adjourn

Proposed Ground Rules for this Meeting:

1. Respect the speaker and the other participants.
2. Hold your position statements for future meetings.
3. Respect the agenda topics – off agenda items will be put in the "bin" for discussion at future meetings.
4. Limit discussions to the things Reclamation can reasonably change (i.e., what is in "scope").

Directions to CSU Stanislaus:

Campus map and directions can be found here: https://www.csustan.edu/campus-maps.

MSR is the Mary Stuart Rogers Building, identified as building 27 on the map.

There is a charge for parking in all lots on campus. A map of ticket dispensers can be found here: https://www.csustan.edu/maps-directions/parking-ticket-dispensers

Framework for Implementation

Meeting #1
CSU Stanislaus, Turlock, CA, - Room MSR 130
October 27, 2014

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Logistics

- Parking
- Restrooms
- Coffee stand
- Cafeteria
- WiFi
- Sign-in Sheet
- Copies of:
  - July 2014 Revised Framework
  - Settlement and Settlement Act

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Agenda

- 9 am - Introductions
- 9:30 am - Process Overview
- 10 am - Key Provisions of Settlement and Act
- 11 am - Revised Framework Overview
- Noon - Lunch
- 1 pm - Revised Framework Overview (continued)
- 2 pm - Funding Overview
- 3 pm - Schedule / Funding Tool
- 3:30 pm - Next Steps
- 4 pm - Adjourn

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Purpose of Today's Meeting

- Establish common expectations on the process for updating the Framework in a manner that is consistent with the Settlement and Settlement Act.
- Provide participants with an overview of the accomplishments of the Program and on the need and purpose for updating the Framework.
- Establish a common understanding of the Settlement, Settlement Act, July 2014 version of the Revised Framework, Program funding, and opportunities and constraints that Reclamation faces in implementing the Settlement and Settlement Act.
- Demonstrate and provide participants with a tool to develop their own schedule/funding for implementing the entire Settlement.

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Ground Rules / Commitments to Others for Todays Meeting

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- Limit discussions to the things Reclamation can reasonably change (i.e., what is in "scope").
- Feel free to ask questions during the presentation.

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Introductions

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Introductions – Meeting Team

- Bob Johnson – Independent Advisor
- Mike Finnegan – Independent Advisor
- Bill Swanson – Independent Advisor
- Emily Thomas – Taking notes, writing "bin" items
- Margaret Gidding – Assisting meeting team as needed

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Introductions – Meeting Participants

- Name
- Organization
- What you are most interested in accomplishing through this process

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Process Overview

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Why are we Updating the Framework?

1. Need a realistic and achievable schedule, sequence and budget for the Program to track progress and measure success
   - Needs to be within the reality of likely available funding
   - Needs to recognize staffing, schedule, and internal Reclamation and Implementing Agency process constraints (e.g. contracting timelines).
2. Need a common vision / path forward for implementing the Program
3. Need to identify Implementing Agencies roles and responsibilities and have more accountability by all agencies
4. Need realistic schedules and funding outlooks so the Program can achieve its "goals" every year and demonstrate measurable and defensible success

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Why are we Updating the Framework? (cont)

- Time is of the Essence:
  - The Program needs demonstrable success, particularly with regards to construction
  - Program success will be the basis of continued funding, and will reduce the potential for litigation and other challenges
  - An incisive focus on specific projects, to achieve specific targets in the near-term, has the best chance for construction success
  - Components of larger projects, which can sequentially achieve functional objectives, can provide demonstrable success on a step-by-step basis

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Why not use the 2012 Framework?

- 2012 Framework sets unrealistic funding outlay resulting in unrealistic schedule
  - As measured against 2012 Framework, Program will not meet its goals
  - Anticipated future funding is not likely to support fast-paced and comprehensive implementation
  - No immediate expectation of an improvement in funding outlook
- Potential problems:
  - Unrealistic schedules do not demonstrate Program achievements and reduce Program credibility
  - Unrealistic schedules do not allow for the Implementing Agencies to adequately plan and prioritize resources and projects

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Why bother at all, why not let the Settlement fail?

- Significant risks for all parties
- Reclamation
  - Judge continues with remedy phase, orders flows
  - SWRCB includes instream flow requirements on Reclamation's water rights
- NRDC:
  - No channel Improvement projects
  - No fish reintroduction
- Friant:
  - Flow releases as ordered by Judge
  - No Water Management Goal projects
  - SWRCB instream flow requirements
- Third Parties:
  - Flow releases as ordered by Judge
  - No seepage, levee stability and other infrastructure projects
  - Uncertain future for California Fish and Game Code 5937 compliance at Mendota Dam and Sack Dam
  - SWRCB instream flow requirements

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What is the Process to Update?

- Structured process
- Looking to share and evaluate ideas as a group
- Looking for good ideas, but NOT UNREALISTIC SUGGESTIONS
- Suggestions and actions need to stay "within scope"

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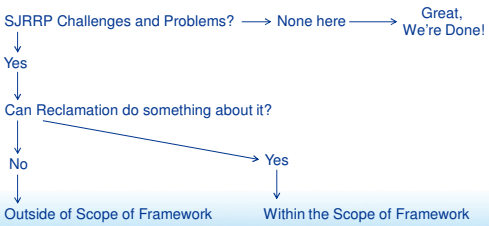
Actions Within the Scope



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Actions Outside of the Scope

- Changes to the Settlement or actions that violate the Settlement
- Changes to the Settlement Act or actions that violate the Settlement Act
- Anything that violates State or Federal law
- Returning to court for a "better" deal
- "Just get more money"
- Not implementing the entire Settlement or Settlement Act
- Miracles in addressing staffing, schedule, and process constraints (e.g., "fixing" Reclamation's contracting challenges)
- Reclamation just go "fix it"; Congress just go "fix it"
- Burying our head in the sand and hoping it fixes itself

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What is the Process to Update? (cont)

- Meeting #1 – Reclamation shares our thought process, opportunities, and constraints
- Meeting #2 – You all share how you would implement the entire Settlement within the constraints on Reclamation
- First and second meeting will:
  - Focus on learning from each other and understanding our different perspectives
  - Identify areas of commonality and differences
  - Form basis and topics for future meetings

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What is the Process to Update? (cont)

- Future meetings
  - Topics, number, location, etc to be determined based on First and Second meeting
  - Process will be inclusive as possible, however, there may be a need for:
    - Focused workgroups to address topics
    - Focused discussions among the Implementing Agencies only and Settling Parties only
    - Results of focused discussions brought back to the larger group

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What is the Schedule?

- Target completion is spring 2015
- However:
  - Will depend on the number and significance of differences
  - Will continue longer if process continues to be productive

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Who makes the "Final" Decision?

- Reclamation is obligated to implement the Settlement and the Settlement Act
- Reclamation, in coordination with the Implementing Agencies will:
  - Complete the Revised Framework
  - Make decisions on items that the group cannot come to agreement on
  - Implement the Revised Framework based on the outcome of this process
  - Not adopt unrealistic or unachievable assumptions for the Program
- If there is a proposal that the SPs, Third Parties, and Implementing Agencies can all live with, Reclamation will implement it

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Ground Rules / Commitments to Others for Todays Meeting

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- Limit discussions to the things Reclamation can reasonably change (i.e., what is in "scope").
- Feel free to ask questions during the presentation.

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Ground Rules / Commitments to Others for the Process

- Be present (in person and paying attention)
- Be committed to the process and working through concerns as a group
- Give the process an opportunity to succeed - refrain from elevating issues to Implementing Agency management or Congressional offices

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Key Provisions of Settlement and Act

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Settlement History

1942 - Friant Dam completed

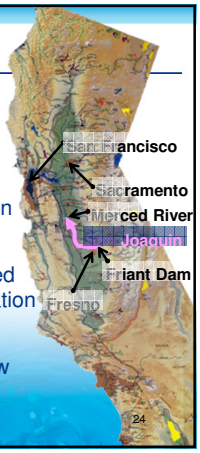
1988 - Lawsuit filed challenging Reclamation's renewal of the long-term contracts with Friant Division contractors

2004 - Federal Judge rules Reclamation violated Section 5937 of the California Fish and Game Code

2005 - Settlement negotiations reinitiated

2006 - Settlement reached; implementation begins

2009 - Federal legislation enacted (Public Law 111-11); Interim Flow releases began October 1



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Settlement Goals

- Restoration Goal
  - To restore and maintain fish populations in "good condition" in the main stem of the San Joaquin River below Friant Dam to the confluence of the Merced River, including naturally reproducing and self-sustaining populations of salmon and other fish.
- Water Management Goal
  - To reduce or avoid adverse water supply impacts to all of the Friant Division long-term contractors that may result from the Interim Flows and Restoration Flows provided for in the Settlement.

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Settling Parties & Implementing Agencies

Settling Parties

- NRDC Coalition
  - 14 organizations
- Friant Water Authority
  - 29 water agencies
- Federal Government
  - Department of the Interior
    - Bureau of Reclamation
    - Fish and Wildlife Service
  - Department of Commerce
    - National Marine Fisheries Service
- State of California
  - Department of Water Resources
  - Department of Fish and Wildlife

Implementing Agencies

- Restoration Administrator

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Restoration Goal Activities

- Increase flows from Friant Dam
- Improve channel and structures to convey flows and improve fisheries habitat
- Reintroduce spring-run and fall-run Chinook salmon

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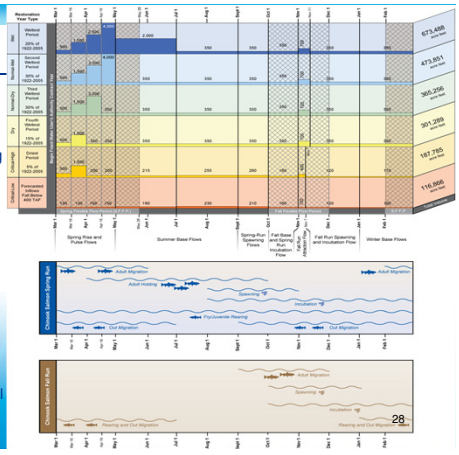
Friant Release Schedule with Fisheries Migration Timing

- Interim Flows began in 2009 and continued through 2013
- Restoration Flows began in 2014
- All flows released up to "then current" channel capacities



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Flow Releases

- Restoration Flow Guidelines identify how water is released
- In general:
  - Reclamation determines water year type and volume available to Program
  - Restoration Administrator makes recommendation on how to release that volume
  - Reclamation "***shall consider and implement***" the recommendation to the extent consistent with law, operational criteria, and the Settlement (Paragraph 18)
- Flow targets in each reach (Paragraph 13(a) and Exhibit B)
- If we can release water into the river, we shall consistent with the RA recommendation, law and the Settlement

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Flow Releases (cont)

- Flows not released into the river become "Unreleased Restoration Flows" and are (Paragraph 13(i)):
  1. Banked, stored, or exchanged with Friant for future use to supplement Restoration Flows
  2. Transferred or sold to Friant; proceeds deposited into SJRR Restoration Fund
  3. Same as above with third parties
  4. Released at other times of the year
- Unreleased Restoration Flows must be used to "best achieve the Restoration Goal"

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Major Channel and Structural Improvements

- Settlement requires 10 specific channel and structural improvement projects to address (Paragraph 11(a) or Phase 1 projects):
  - Channel capacity limitations
  - Fish habitat limitations
  - Fish passage and entrainment issues
- Settlement and Settlement Act do not identify priority
- Combined into 4 major projects
- 3 underway

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Mendota Pool Bypass and Reach 2B Channel Improvements Project

- Project (Paragraph 11(a)(1) and (a)(2)):
  - Create bypass channel around the Mendota Pool (about ½ mile of new river channel)
  - Expand Reach 2B capacity to convey at least 4,500 cfs (11 miles of new levee and flood plain habitat)
  - Four alternatives currently under consideration
- Current Schedule:
  - Draft EIS/R – early 2015
  - Final EIS/R – early 2016
  - Construction start date – 2017 (funding dependent)

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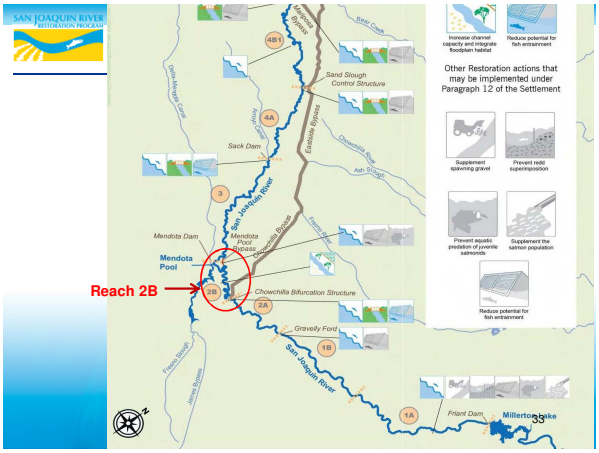

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Reach 2B Background

- Bounded by Chowchilla Bypass and Mendota Pool
  - Not part of Flood Control Project
  - Chowchilla Structure is part of Flood Control Project
- Original design capacity was 2,500 cfs
- Current capacity is ~ 1,300 cfs
- Levees built by landowners of native soil on native soil

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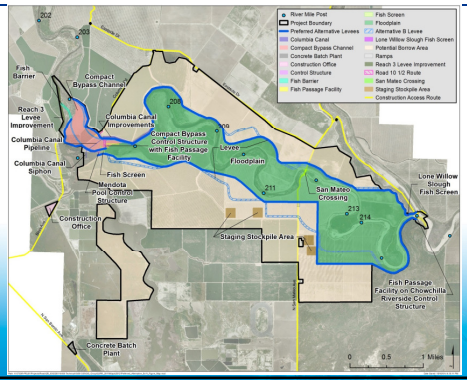
Mendota Pool Bypass and Reach 2B Improvements Project - Preferred Alternative



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Reach 4B, Eastside Bypass and Mariposa Bypass Channel and Structural Improvements Project

- Project (Paragraph 11(a)(3)-(5), (a)(8) and (a)(9) AND 11(b)(1) and 11(b)(4)):
  - Reach 4B
    - Modify to convey *at least* 475 cfs, possibly up to 4,500 cfs
    - Modify Sand Slough and Reach 4B headgates for flows and fish passage
  - Eastside and Mariposa Bypass
    - Modify structures for fish passage
    - Establish low-flow channel
  - Three "fundamental" alternatives currently under consideration
  - Variety of levee alignments and infrastructure in each
  - Project will have to account for subsidence
- Current Schedule:
  - Draft EIS/R – mid 2017
  - Final EIS/R – mid 2018
  - Construction start date – to be determined
- Report to Congress required in Section 10009(f)(2)

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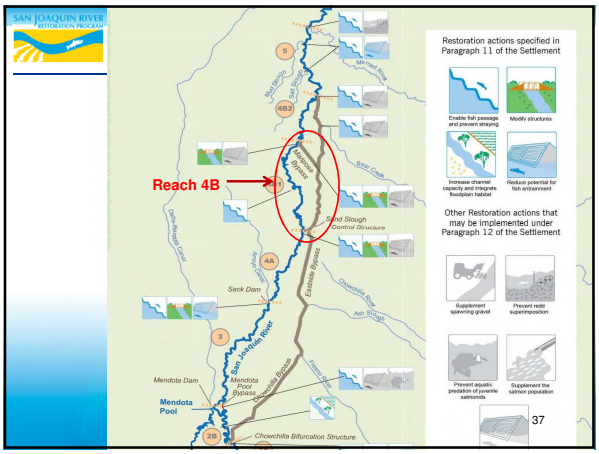

Reach 4B Background

- Bounded by Sand Slough Control Structure and Mariposa Bypass
- Part of Flood Control Project
- Original design capacity was 1,500 cfs
- Current capacity is ~ 0 cfs
- No flows in Reach 4B for many decades
  - All flows routed down the Eastside Bypass

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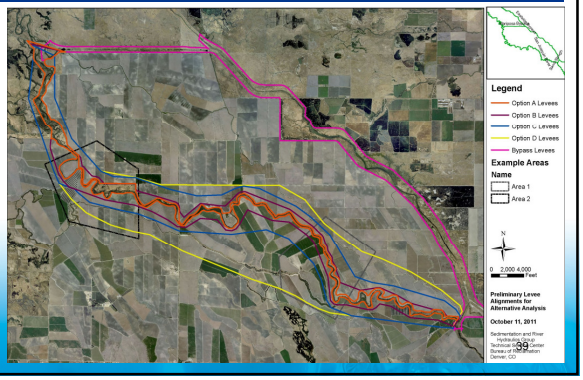
Reach 4B, Eastside Bypass and Mariposa Bypass Channel and Structural Improvements Project



Reach 4B, Eastside Bypass and Mariposa Bypass Channel and Structural Improvements Project

	Alternative 1 Main Channel Restoration			Alternative 2 Bypass Restoration	Alternative 3 Bypass Pulse Flows	Alternative 4 Split Pulse Flows, Restore Both		
	Levee Alignments			Levee Alignments	Levee Alignments	Levee Alignments		
	B	C	D	A	A	A	B	C
Total Floodplain Created	2,985	6,195	10,150	1,265	1,265	1,265	2,985	6,195
Total Acreage of Farmland Removed from Production	1,876	4,788	5,757	242	242	242	1,876	4,788

All values in acres.

Preliminary information; subject to change.

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Arroyo Canal Fish Screen and Sack Dam Fish Passage Project

NEPA and CEQA completed

Construction – on hold pending path forward with subsidence issue

Sack Dam – Modify for fish passage

Arroyo Canal – Screen to prevent fish entrainment

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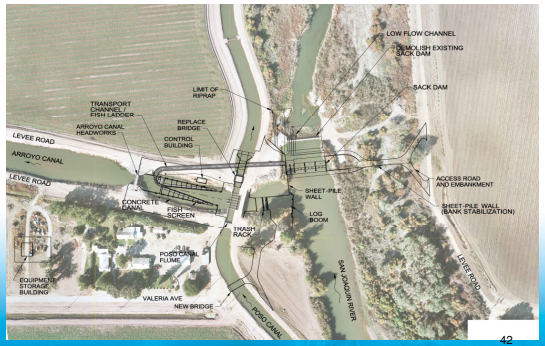
Arroyo Canal Fish Screen and Sack Dam Fish Passage Project



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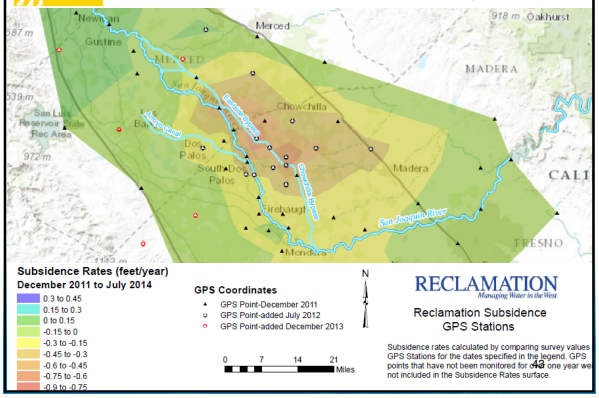
Subsidence, Control Point Survey Results



Reintroduction of Salmon

- Settlement requires reintroduction of spring-run and fall-run Chinook salmon (Paragraph 14)
- Settlement Act requires ESA rules to release spring-run; no other requirements or conditions precedent (Section 10011)
- Paragraph 14(a) – "Secretary . . . ***shall ensure*** spring and fall run are reintroduced at earliest practical date after commencement of sufficient flows and the issuance of all necessary permits"
- NMFS report to Congress on progress no later than December 2024 (Section 10011(d))

Reintroduction of Salmon

- Spring-run broodstock efforts began in 2012
- Permitting and approvals received Dec 2013 for direct release of spring-run to river
- First direct release of juvenile spring-run into the river April 2014

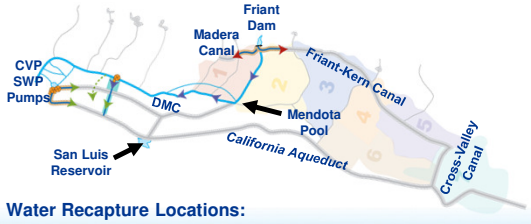
Water Management Goal

- Paragraph 16 of the Settlement
  - Recovered Water Account
  - Recapture and Recirculation Plan
- Part III of the Settlement Act
  - Friant-Kern Canal and Madera Canal Capacity Restoration projects
  - Friant-Kern Canal Reverse Flow Project
  - Financial assistance for groundwater banks

Recapture, Recirculation and Recovered Water Account

- Recovered Water Account
  - Available only in wet hydrologic conditions
  - Total cost of $10/acre-foot
  - 680,440 acre-feet allocated to date
  - 356,200 acre-feet delivered to date
- Recapture and Recirculation
  - Draft Plan released February 2011; Revised Plan scheduled to be completed in 2015
  - Recaptured and recirculated (rounded):
    - Contract Year 2010 = 52,000 acre-feet
    - Contract Year 2011 = 36,000 acre-feet
    - Contract Year 2012 = 108,000 acre-feet
    - Contract Year 2013 = 90,000 acre-feet
    - Recapture amounts vary each year based on flows release and recapture locations
      - Recaptured roughly 50-60% of the flows released to date
      - Will be less in the future as flows go past the Merced River confluence and are recaptured at the Delta facilities

Recapture and Recirculation



Water Recapture Locations:
- Mendota Pool (temp)
- In Delta
- Along San Joaquin River at existing pumping plants
- New pumping plant along the river (considered in PEIS/R)

Recirculation Options:
- Exchanges
- Direct Deliveries (AEWSD/SWID)
- Sales

Settlement Act Projects

- FKC Capacity Restoration Project (Section 10201(a)(1) and 10203(b))
  - Feasibility Report released for public review in June 2011
  - Construction to start in 2015
- Madera Canal Capacity Restoration Project (same sections)
  - Demonstration Projects
  - Feasibility Report scheduled for public review in 2016
- $35M total, not indexed

Friant Kern Canal

Madera Canal

Settlement Act Projects (cont)

- Friant-Kern Canal Pump-back Project (Section 10201(a)(2) and 10203(b))
  - $17M, not indexed
  - Requires determination that funding will not conflict with or delay implementing Part I of the Act (generally, the Settlement)
  - Notice of determination to be published with Reach 4B Report to Congress
  - On-hold
- Part III - Local Groundwater Banking Projects (Section 10202 and 10203(c))
  - $50M, indexed at Oct 2008 levels
  - At least 50% cost share
  - Final Guidelines released August 2012
  - Awarded $14.6M in Financial Assistance in FY2013

Key Accomplishments to Date – Settlement

Paragraph	Project	Accomplishment
11(a) projects	Phase 1 projects	• Began all except Mud and Salt Slough Project • Completed NEPA and 60% design on Arroyo Canal Fish Screen and Sack Dam Fish Passage Project
11(b) projects	Phase 2 projects	• Began Reach 4B-related projects
13(g)	Measure and monitor flows	• Additional gages installed and on-going monitoring since October 2009 • Process established in Restoration Flows Guidelines (RFGs)
13(h)	Retain, acquire and perfect all rights to manage and control all flows	• State Water Resources Control Board (SWRCB) orders protecting Interim Flows. • SWRCB order modifying water rights at Friant Dam to implement Interim Flows and Restoration Flows on a long-term basis.
13(i)	Commence Restoration Flows no later than January 1, 2014	• Release of Restoration Flows on January 1, 2014. • Technical Memorandum on the Management of Unreleased Restoration Flows
13(j)	Restoration Flow Guidelines	• Completed December 30, 2014.

Key Accomplishments to Date – Settlement (cont)

Paragraph	Project	Accomplishment
14	Reintroduce spring and fall run Chinook salmon	• Fisheries Management Plan, Hatchery and Genetics Management Plan, Strategy for Spring-run Chinook Salmon Reintroduction, and permit applications. • Trapped and transported fall-run salmon starting in 2012. • Natural spawning of fall-run in fall 2012 and naturally produced fall-run in spring 2013. • Initiated spring-run broodstock efforts in 2013 • Completed special rules to allow release of spring-run, consistent with applicable law • Constructed and began operations of the Interim Salmon Conservation and Research Facility (Conservation Facility). • Commenced direct releases of spring-run into the San Joaquin River in 2014.
14(a)	Spring-run Chinook salmon permitting	• Service submitted two permit applications, one for broodstock and one for direct release of spring-run. Both applications requested 5 years terms. • NMFS issued Section 10(a)(1)(A) Permit 14868 on October 11, 2012. • NMFS issued Section 10(a)(1)(A) Permit 17781, in March 2014, for direct release of spring-run into the San Joaquin River. • 50,000 spring-run juveniles released in 2014

Key Accomplishments to Date – Settlement (cont)

Paragraph	Project	Accomplishment
15	Interim Flows and associated monitoring program	• Commencement of Interim Flows on October 1, 2009. • Establishment of monitoring network. • Commencement of Restoration Flows
16(a)	Plan for recirculation, recapture, reuse, exchange or transfer of Interim Flows and Restoration Flows	• 2010, 2011, 2012, 2013, and 2014 program of recirculation, recapture, reuse, exchange or transfer of Interim Flows and Restoration Flows. • 2010, 2011, 2012, and 2013-2017 Environmental Assessment and Finding of No Significant Impact. • Draft Recapture and Recirculation Plan, dated February 2011
16(b)	Recovered Water Account	• Methodology to determine water supply impacts in the Restoration Flow Guidelines. • Allocated 680,440 acre-feet of Recovered Water Account credits. • Delivered 365,200 acre-feet of Recovered Water Account water to date.

Key Accomplishments to Date – Settlement Act

Section	Project	Accomplishment
10004(h)(1)	Prior to releasing Interim Flows, complete an analysis in compliance with NEPA	• Completed several Environmental Assessments and Supplemental Environmental Assessments for Interim Flows.
10004(h)(3)	Reduce Interim Flows to the extent necessary to address any material adverse impact to Third Parties from groundwater seepage	• Interim Flows were managed and reduced to the extent necessary to address any material adverse seepage impacts. • Financially compensated landowner that experienced material adverse seepage impacts from Interim Flows.
10004(h)(4)	Evaluate the effectiveness of the Hills Ferry Barrier in preventing the unintended upstream migration of anadromous fish	• Evaluations were completed in 2010 and 2011 and reports were prepared as part of the SJRRP's Annual Technical Report process.
10009(f)(1)	Study that specifies the cost of undertaking work in Reach 4B, impacts associated with reintroduction of flows, and measure that shall be implemented to mitigate impacts.	• Study completed in December 2013.

Key Accomplishments to Date – Settlement Act

Section	Project	Accomplishment
10010	Convert the Friant Division, Hidden Unit, and Buchanan Unit contractors from water service contracts to repayment contracts under section 9(d) of the Act of August 4, 1939.	• Completed.
10011(c)(2)	Rule pursuant to section 4(d) of the Endangered Species Act governing the incidental take of reintroduced spring-run salmon	• Rule issued on December 31, 2013.
10201(a)(1)	Friant-Kern Canal Capacity Restoration Project	• Draft feasibility study and Environmental Assessment for the Friant-Kern Canal Capacity Restoration Project completed in 2011. • 60-percent design.
10202	Financial assistance to local agencies for the planning, design, environmental compliance, and construction of local facilities to groundwater banking facilities	• Part III Guidelines • FY 2013, Reclamation awarded $14.29 million to four projects and provided $10 million in funding. With local cost-share contributions, more than $39.6 million in groundwater improvements will be implemented with a projected yield over 760,000 acre-feet during the projects' 30-year life cycle, approximately 25,000 acre-feet/year.

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FRAMEWORK OVERVIEW

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Desired Outcomes

- Understanding, trust & direct communication
- Common path forward for Program
- Implementing Agency roles and responsibilities identified
- Realistic SJRRP funding and schedule
- Measurable success

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Purpose

- Realistic funding levels
- Realistic implementation schedule
- 5-year visions
- Federal and State roles and responsibilities

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Anticipated Outcomes

- Logical sequencing of planning, design, study, and construction work
- Approaching largest project elements in smaller components allows rational construction sequencing, and the potential for refined design of subsequent components based on experience gleaned from early components
- Sequencing of construction, coupled with ongoing biological study and feedback to the design process, will yield a superior design and end product

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Schedule of Key Actions

2015-2019	2020-2024	2025-2029	2030+
Goal: Connectivity	**Goal: Increased Capacity**	**Goal: Phase 1 Projects Complete**	**Goal: All Remaining Projects Complete**
• Friant-Kern Capacity Restoration • Madera Canal Capacity Restoration • Mendota Pool Bypass • Temporary Sack Dam Passage • Conservation Facility • Seepage Projects to 1,300 cfs	• Part III • Reach 2B • Arroyo Canal and Sack Dam • Reach 4B Land Acquisition • Seepage Projects to 2,500 cfs • Levee Stability to 2,500 cfs	• Reach 4B • Mud and Salt Sloughs • Seepage Projects to 4,500 cfs • Levee Stability to 4,500 cfs	• Ongoing Operations and Maintenance

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Cost Comparison

Action	2012 Framework	2014 Update
Staffing	$78	$110
Conservation Strategy / Mitigation Measures	$35	$37
Flows	$45	$29
Arroyo Canal / Sack Dam	$25	$30
Salt and Mud Sloughs	$14	$6
Reach 2B	$312	$283
Reach 4B	$156	$235
Conservation Facility	$21	$26
Fish Reintroduction	$27	$11
Water Management Goal	$100	$100
TOTAL Settlement	**$813**	**$867**
Seepage Projects	$79	$186
TOTAL "Core"	**$892**	**$1,053**
Chowchilla Fish Passage	N/A	$20
Gravel Pits	N/A	$3
Miscellaneous	N/A	$49
TOTAL	**$892**	**$1,124**
Levee Stability	$189	$297
TOTAL	**$1,081**	**$1,421**

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Principles

- Consistency with the Settlement and Act
  - We're not re-negotiating the Settlement or Act (except for funding if necessary)
  - Release of Restoration Flows shall be made, consistent with RA recommendation
  - Release of salmon shall be made consistent with permits, rules, and environmental conditions
- We're implementing the Settlement
  - not "restoring" and "recovering" the entire San Joaquin River

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Principles (cont.)

- All "core" projects are included in the Framework, irrespective of responsibility for costs
  - Core projects from 2012 Framework
  - Core projects - Actions considered essential to the success of the program, where the Agencies are certain that the action will result in a positive outcome, and where the absence of action would result in program failure
- Restoration Goal and Water Management Goal move forward together
- Best available information is always used for appropriations, costs, and schedules
- Visions, once agreed upon, will establish the priority of funding and implementation of projects

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Key Foundational Factors and Assumptions

- Core projects only
- $50 million per year maximum additional federal appropriations
- Full Restoration Flows before Phase 2 projects are initiated
- Everyone gets better together
  - NRDC, Flows and fish in the river
  - Friant, Progress on WMG commensurate with increases of flows
  - 3rd Parties, Avoidance of "take" under ESA
- Only specific 3rd Party protections are required to be in place before actions are taken

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5-Year Vision

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5-Year Vision - Prioritization

- Limited to federal appropriations and state funds
- Arroyo Canal
  - Subsidence complicates near-term decision
  - Postponed for 10-year Vision
  - Temporary fish screen
- Friant Kern and Madera Canals Restoration Projects
  - Costs are not indexed

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5-Year Vision - Prioritization

- Reach 2B Compact Bypass
  - The SJRRP wants to minimize trucking fish as it is costly and ineffective compared to fish moving themselves
  - Mendota Dam is the largest passage barrier in the Restoration Area
  - As we are limited to federal appropriations <$50 million / year, we cannot build the Compact Bypass and 2B setback levees at the same time
  - Passage is a priority over flow capacity, as we are still limited by seepage and levee stability downstream anyway

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5 Year Vision: Connectivity

(FY 2015 – 2019)

- Vision
  - Flow connectivity and fish passage, such that adult and juvenile salmon can complete migration without human assistance
  - Continue to implement Water Management Actions to reduce or avoid supply impacts to Friant Division contractors

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5 Year Vision: Connectivity

(FY 2015 – 2019)

Key Elements

Arroyo Canal Fish Screen & Sack Dam Fish Passage temporary solution (if necessary)

Mendota Pool Bypass and Fish Screen Completed

Seepage Projects and Levee Improvements to allow for flows up to 1,300 cfs

Friant-Kern and Madera Canal Capacity Restoration

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5 Year Vision: Connectivity

(FY 2015 – 2019)

3.4 Flow Related Activities	3.5 Channel & Structural Improvements
• Conservation Strategy and Mitigation Actions from PEIS/R ROD • Flow management and monitoring • Seepage and Levee Stability to allow flows up to 1,300 cfs	• Mendota Pool Bypass • Eastside Bypass/Mariposa Bypass Reach 4B EIS/R & Report to Congress • Arroyo Canal Fish Screen/Sack Dam Fish Passage Design and Permitting • Temporary screen at Arroyo Canal (if necessary) • Passage at Key Barriers
3.6 Fish Reintroduction	**3.7 Water Management Goal**
• Construction & operation of Salmon Conservation and Research Facility • Spring-run donor stock collection and tagging • Trap and haul of adults until Mendota Pool Bypass is completed • Permit for use of wild stock	• Recapture and recirculation of Restoration Flows, RWA accounts • Recapture and Recirculation plan • Recirculation EIS/R • Friant-Kern and Madera Canal Capacity Restoration Projects

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Flow Related Activities – Explanations

- Conservation Strategy and Mitigation Actions from PEIS/R ROD
  - Required in our environmental document
- Seepage and Levee Stability to allow up to 1,300 cfs in Reach 2B (or Reach 2B capacity)
  - Limited to Reach 2B capacity upstream
  - Might require construction on the Middle Eastside Bypass, Reach 4B project decision must be made

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Flow Related Activities – Concerns / Opportunities

- Conservation Strategy and Mitigation Actions from PEIS/R ROD
  - The Physical Monitoring and Management Plan is being revised to maximize flexibility and minimize costs
  - MAP funding is much lower than the past
  - Assumed no Unexpected Seepage Losses
- Seepage and Levee Stability to allow up to 1,300 cfs in Reach 2B (or Reach 2B capacity)
  - Levee stability costs will decrease
  - Levee stability assumed to be state cost

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Channel and Structural Improvements - Explanations

- Mendota Pool Bypass or Fresno Slough Dam
  - Minimizes truck and haul of fish
- Eastside Bypass/Mariposa Bypass EIS/R and Report to Congress
  - Flow routing decision needed to make justify making investment in levee repairs in bypass
- Temporary Arroyo Canal Fish Screen/Sack Dam Fish Passage
  - Prevent fish entrainment for the short term
- Passage at Key Barriers
  - Minimizes truck and haul of fish
  - Pieces of Reach 4B project constructed early (need 4B environmental document complete)

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Channel and Structural Improvements – Concerns / Opportunities

- Mendota Pool Bypass or Fresno Slough Dam
  - Compact Bypass is preferred alternative
  - Mendota Pool Fish Screen postponed
- Eastside Bypass/Mariposa Bypass EIS/R Report to Congress
  - Ongoing flood agency discussions – may be a mutually beneficial solution
- Temporary Arroyo Canal Fish Screen and Sack Dam Fish Passage
  - Will not meet NMFS passage criteria – to make it meet criteria, we would have to construct the full project
- Passage at Key Barriers
  - May make Reach 4B project cheaper & accomplish some of these goals earlier

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Fish Reintroduction - Explanations

- Construction & operation of Salmon Conservation and Research Facility
  - Gets spring-run brood stock in place so that by 2020 spring-run could return to Restoration Area unassisted
- Spring-run donor stock collection and tagging
- Trap and haul of adults until Mendota Pool Bypass is completed
  - So the fish population can continue to grow
- Segregation Actions Study
- Permit for use of wild stock
  - To enhance diversity and population success in the long-term (after 2020)

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Fish Reintroduction – Concerns / Opportunities

- Construction & operation of Salmon Conservation and Research Facility
  - DFW will construct and operate facility in long-term
- Segregation Actions Study
  - A permanent facility will result in higher initial costs
- Permit for use of wild stock
  - Controversial

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Water Management - Explanations

- Recapture and recirculation of Restoration Flows, RWA accounts
  - Continued activities
- Recapture and Recirculation plan
  - So that by 2020 when flows are up to 1,300 cfs downstream, Delta recapture is possible
- Recirculation EIS/R
- Friant-Kern and Madera Canal Capacity Restoration Projects
  - Progress on Water Management Goal

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Water Management – Concerns / Opportunities

- Recapture and Recirculation plan
  - Recapture in the Delta is a concern
- Friant-Kern and Madera Canal Capacity Restoration Projects
  - Construct ASAP to maximize funding value
  - Costs higher than anticipated in Settlement Act to fix entire canal

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10-Year Vision

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10-Year Vision - Prioritization

- Reach 4B Project
  - Eastside Bypass has design capacity of 16,500 cfs+
  - No immediate flow capacity need
  - Postpone 4B construction for 15 year vision
- Arroyo Canal Project
  - Assume fish population is increasing and returning on their own
  - Install full project for better fish survival

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10-Year Vision - Prioritization

- Reach 2B Setback Levees
  - Setback levees would allow flows above 1,120-1,300 cfs in Reach 2B
  - 2,000 cfs would better manage water temperatures and improve salmon survival
- Seepage and Levee Stability
  - Get flows above 2,000 cfs as we are no longer limited by Reach 2B levee capacity
- Water Management Goal moves forwards with Restoration Goal

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10 Year Vision: Reach 2B

(FY 2020 – 2024)

- Vision
  - Increase channel capacity
  - Make all major project decisions and award remaining funding
  - Continue to implement Water Management Goal
- Key Changes in FY 2020:
  - Funds from SJR Restoration Fund become available without further appropriation in FY 2020
  - Level of construction action increases with this additional funding (contracts to obligate these funds award in FY 2020 or FY 2021, actual work completed FY 2021 to 2025)

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10 Year Vision: Reach 2B

(FY 2020 – 2024)

Key Elements

Arroyo Canal Fish Screen & Sack Dam Fish Passage Construction

Increase Reach 2B channel capacity to 4,500 cfs, levee construction

Seepage Projects and Levee Improvements to allow for flows up to 2,500 cfs

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10 Year Vision: Reach 2B

(FY 2020 – 2024)

4.4 Flow Related Activities	4.5 Channel & Structural Improvements
• Conservation Strategy and Mitigation Actions from PEIS/R ROD • Flow management and monitoring • Seepage and Levee Stability to allow up to 2,500 cfs in all reaches	• Construct Reach 2B levees and channel to convey 4,500 cfs • Land acquisition for Reach 4B, Eastside Bypass/Mariposa Bypass • Construct Arroyo Canal Fish Screen/Sack Dam Fish Passage • Environmental Compliance for Salt and Mud Slough Seasonal Barriers
4.6 Fish Reintroduction	**4.7 Water Management Goal**
• Operation of Salmon Conservation and Research Facility • Spring-run donor stock collection and tagging • Prepare Report to Congress (Section 10011(d))	• Water Management Goal Oversight • Madera Canal Capacity Restoration • Recapture and Recirculation Plan and Implementation • Award funding for Groundwater Banking facilities

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Flow Related Activities - Explanations

- Conservation Strategy and Mitigation Actions from PEIS/R ROD
- Flow management and monitoring
- Seepage and Levee Stability to allow up to 2,500 cfs in all reaches
  - 2,000 cfs would better manage water temperatures and improve salmon survival
  - Seepage and Levee Stability can get to 2,500 cfs (there is enough time / resources)

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Flow Related Activities – Concerns / Opportunities

- Seepage and Levee Stability to allow up to 2,500 cfs in all reaches
  - Assumes state cost for levee stability
  - Levee repairs in Reaches 2A, 3, 4A, and Middle Eastside Bypass
  - Unknown responsibility for private levees in Reach 3 and 4A
  - Middle Eastside Bypass repairs may implement part of the 4B project early

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Channel and Structural Improvements - Explanations

- Construct Reach 2B levees and channel improvements to convey 4,500 cfs
  - Releases flow constraint in upper reaches – full Spring pulses to Mendota Pool
- Land acquisition for Reach 4B, Eastside Bypass/Mariposa Bypass
  - Landowners likely prefer land acquisition early to provide certainty
  - Average costs used – alternative unknown
- Construct Arroyo Canal Fish Screen/Sack Dam Fish Passage
  - Better fish survival
- Environmental Compliance for Salt and Mud Slough Seasonal Barriers

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Channel and Structural Improvements – Concerns / Opportunities

- Construct Reach 2B levees and channel to convey 4,500 cfs
  - Does not include a Mendota Pool Fish Screen or Reach 3 Fish Barrier
  - Does not include San Mateo Ave culverts, Lone Willow Slough Fish Screen
- Land acquisition for Reach 4B, Eastside Bypass/Mariposa Bypass
  - Potential flood control process / funding issues
- Construct Arroyo Canal Fish Screen/Sack Dam Fish Passage
  - Subsidence could further delay or increase costs
- Environmental Compliance for Salt and Mud Slough Seasonal Barriers
  - Unknown need – project may be unnecessary

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Fish Reintroduction

- Operation of Salmon Conservation and Research Facility
- Spring-run donor stock collection and tagging
- Prepare Report to Congress (Section 10011(d))
  - Segregation Action Cost not included

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Water Management Goal

- Water Management Goal Oversight
- Madera Canal Capacity Restoration
- Recapture and Recirculation Plan Implementation
- Award funding for Groundwater Banking facilities
  - Madera Canal Capacity Correction Project may be implemented in the 10-year vision

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15-Year Vision

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15-Year Vision - Prioritization

- Increase capacity to 4,500 cfs
- Finish all Phase 1 Projects

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15 Year Vision (FY 25 to 29): Completion of Conveyance Projects

- Vision:
  - Increase channel capacity in all reaches to 4,500 cfs
- Key Elements:
  - Complete all Phase 1/Paragraph 11(a) projects including:
    - Reach 4B, Eastside Bypass, Mariposa Bypass Channel and Structural Improvements Project
    - Salt and Mud Slough Seasonal Barrier Projects
  - Complete planning for Phase 2/Paragraph 11(b) projects
  - Continue implementing Water Management Goal

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15 Year Vision: Conveyance

(FY 2025 – 2029)

Key Elements

- Salt and Mud Slough Seasonal Barrier Projects
- Reach 4B/ESB High Flow Routing
- Reach 4B Channel and Structural Improvements
- Increased channel capacity to allow for flows up to 4,500 cfs

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15 Year Vision: Conveyance

(FY 2025 – 2029)

4.4 Flow Related Activities	4.5 Channel & Structural Improvements
• Conservation Strategy and Mitigation Actions from PEIS/R ROD • Flow management and monitoring • Seepage and Levee Stability to allow up to 4,500 cfs in all reaches	• Construct Reach 2B levees and channel to convey 4,500 cfs • Construction of Reach 4B, Eastside Bypass/Mariposa Bypass Channel and Structural Improvements Project • Construction of Salt and Mud Slough Barriers • Planning for Phase II Projects
4.6 Fish Reintroduction	**4.7 Water Management Goal**
• Operation of Salmon Conservation and Research Facility • Spring-run donor stock collection and tagging	• Water Management Goal Oversight • Recapture and Recirculation Plan and Implementation • Construction of Groundwater Banking facilities

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15+ Year Vision

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15+ Year Vision - Prioritization

- Remaining construction actions
- Long-term operations and maintenance actions

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Beyond 15 Year Vision (FY 30+): Monitoring, Maintenance and Final Project work

- Vision:
  - Complete all construction actions
  - Monitoring and maintain system
  - Phase out hatchery production
- Key Elements:
  - Complete all Paragraph 11(b) projects
  - Complete all Paragraph 12 projects, if any recommended
  - Phase out hatchery production and population augmentation
  - Continue implementing Water Management Goal

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Beyond 15 Year Vision: Monitoring and Maintenance (FY 2030+)

Key Elements

Chowchilla Bifurcation Fish Passage Construction

Gravel Pit Filling and/or isolation

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Beyond 15 Year Vision (FY 30+): Monitoring, Maintenance and Finial Project work

- Specific Projects:
  - Program staffing – reduce levels to maintenance
  - Flow Actions
    - Continue to release and monitor Restoration Flows
  - Channel and Structural Improvements
    - Construct any remaining Paragraph 11(b) projects
    - Construct all Paragraph 12 projects, if any recommended
  - Fish Reintroduction
    - Phase out population-level releases from Conservation Facility
    - Phase out of wild stock collection
    - Phase out annual spring-run donor stock collection
    - Monitor self-sustaining, naturally reproducing populations
  - Water Management Goal
    - Continue recapture and recirculation, tracking and allocating RWA water

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FUNDING OVERVIEW

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Agenda

- Background
- Funding Sources
- Collections To-Date

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Background

- Settlement included a "Funding Plan"
  - Many of the actions in the plan needed legislative authorization
- Settlement and Act limit Friant's financial contributions
- Settlement Act includes a variety of funding sources, some of which are different than envisioned in the Settlement
- Settlement Act is the "controlling" document / funding sources
  - Section 10009 – "Appropriations; Settlement Fund"

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Section 10009 of Settlement Act

"IN GENERAL – The cost of implementing the Settlement shall be covered by payments or in-kind contributions made by Friant Division contractors and other non-Federal parties…"

"Except as provided in the Settlement, to the extent that costs incurred solely to implement the Settlement would not otherwise have been incurred by any entity or public or local agency or subdivision of the State of California, such costs shall not be borne by any such entity, agency, or subdivision of the State of California, unless such costs are incurred on a voluntary basis."

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Relevant Articles

Settlement
- Paragraph 16(b)(3)
- Paragraph 21

Settlement Act
- § 10004(a)(5)
- § 10004(c)
- § 10004(i)
- § 10005
- § 10006(c)
- § 10007
- § 10009
- § 10010
- § 10101
- § 10203

CVPIA
- § 3406(c)
- § 3407(d)(2)(a)

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Funding Sources Overview

Source	Amount
Friant Surcharge (average collected)	$5.6 million/year
Recovered Water Account Receipts (average collected)	$0.8 million/year
Unreleased Restoration Flows sales	unknown
Sales of Other Water and Property	unknown
Friant Capital Repayment (est. collected)	$225 million
Non-Federal Contributions	unknown
CVPIA Restoration Fund (maximum)	$2 million/year
New Federal Appropriations (maximum)	$300 million
State Funding (stated commitment)	$200 million

Deposited into the San Joaquin River Restoration Fund

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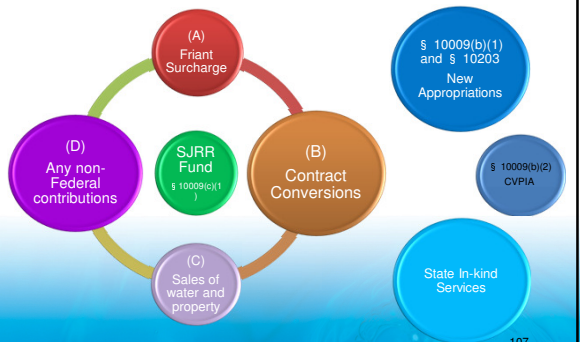
Funding Sources Overview (cont)



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SJRR Fund

- New "fund" created to implement the Settlement
- Funds deposited "shall be used solely for the purpose of implementing the Settlement" and Part III of Settlement Act

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SJRR Fund – Friant Surcharge

(A) Friant Surcharge
- Additional charge assessed for every AF sold within the Friant Division
- Reclamation's assumption is long-term annual average of 800,000 AF sold
- Current surcharge is $7/AF
  - Resulting in average of $5.6M annually
  - Surcharge from FY 10 to FY 14 averaged $6.1M
  - Surcharge in thousands by year:

FY 10	FY 11	FY 12	FY 13	FY 14
$10,804	$7,952	$6,358	$4,305	$1,435

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SJRR Fund – Friant Surcharge

(A) Friant Surcharge (cont)
- Surcharge reduced from FY 2020 to FY 2039 to offset financing charges to Contractors for early payout
- Reduction calculated as Exhibit D in contracts, different for each Contractor
- Can not be reduced below $4/AF
- Gets much more complicated, but not really relevant for this discussion
- FY 2040, reverts to $7/AF
- Funding outlay assumes $4/AF surcharge starting in FY 2020
  - Resulting in average of $3.2M annually

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SJRR Fund – Contract Conversions

(B) Contract Conversions
- § 10010 of SJRRS Act
- Dedicated for all fiscal years after legislation until fully paid out
- ~ $252 million capital repayment
- ~ Discounted to $215 million
- All contractors converted, except:
  - International WD
  - City of Orange Cove
  - City of Lindsay
  - County of Madera
- Payments into Fund as:
  - Lump sum
  - 4 annual installments
  - Annually until capital component of CVP is paid in full

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SJRR Fund – Sales of Water and Property

(C) Sales of water and property
- Recovered Water Account (RWA) Water (§ 10004(a)(5))
  - $10/acre-foot for RWA Water
  - Reclamation's assumption is long-term annual average of 80,000 AF sold resulting in $800,000
- Unreleased Restoration Flows sales (Paragraph 13(i) water sales)
  - Reclamation sets price
  - Could be a little; could be a lot – depends on amount of Unreleased Restoration Flows, sales price, and how Reclamation meets its water banking requirements
- Proceeds from sale of property or interests in property (§ 10005(c)(3))
  - No assumption made on this, but likely minimal
- Receipts from FY 10 to FY 14 averaged $1.3M
- Receipts from FY 10 to FY 14 (in thousands):

FY 10	FY 11	FY 12	FY 13	FY 14
$0	$1,449	$2,016	$480	$2,780

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SJRR Fund – Non-federal Contributions

(D) Non-federal contributions
- Such as:
  - State contributions
  - Other non-Federal sources

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SJRR Fund Availability

- (A), (B), and (C)
  - $88 million appropriated
  - Rest available, without further appropriation after October 1, 2019 (Federal FY 2020)
- (D)
  - Expend without further appropriation for which contributed

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CVPIA Restoration Fund - § 10009(b)(2)

- Up to $2,000,000 annually
- Available without further appropriation (beyond CVPIA appropriation)
- Contingent on actual collections
- October 2006 price levels
- Thus far, we have not assumed indexing this in Framework

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New Federal Appropriations

- $250 million
  - § 10009(b)(1) - for implementing Part I of Settlement Act (generally, the Settlement)
  - October 2006 price levels (have not attempted to index in Framework)
  - Can only expend equal to the sum of:
    - (A) Friant Surcharge
    - (D) Non-Federal Contributions
    - In-kind contributions
    - Other non-Federal payments actually committed to implementing Part I or the Settlement
    - Does not include:
      - (B) Contract Conversions
      - (C) Water or Property sales

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Funding Challenges with Federal Appropriations

- Limitations on expending $250M in appropriated dollars
  - Can only expend in amounts equal to the sum of: (1) Friant Surcharge; (2) non-federal contributions; (3) in-kind contributions; and (4) non-federal payments to implement Settlement or Part I
  - With slower ramp up on Program, State not spending as quickly as anticipated
    - In-kind contributions lower than expected
  - Likely may not be able to use all appropriated funds starting in FY 17
- Will exceed $250M in appropriated funding needs around FY 2021

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Funding Challenges with Federal Appropriations - Example

Factors Limiting Spending of $250M Appropriations:

State expended (FY 07-14)		$58,650,000
Friant Surcharge (FY 09-14)	+	$30,655,000
Total		$89,305,000

Appropriations that count against $250M to Date

Appropriations to Date		$60,458,000
Part III Funds	-	$10,000,000
Total		$50,458,000

Remaining Capacity ($89,305,000 - $50,458,000) = $38,846,000

Future Expenditures and Collections by Limiting Factors

State Expenditures around		$10,000,000 / year
Friant Surcharge around	+	$5,600,000 / year
Total		$15,600,000 / year

Federal Appropriations around $32,000,000 / year
*Assumed stagnant or increase, not reflective of President's budget

Year	Approp.*	E &C	Remaining Capacity
FY 15	$32,000,000	$15,600,000	$16,400,000
FY 16	$32,000,000	$15,600,000	$16,400,000
		Total	$32,800,000

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New Federal Appropriations

- $50 million
  - § 10203(c) - for implementing Part III of Settlement Act (generally, canal and groundwater banking projects)
  - October 2008 price levels (have not attempted to index in Framework)
  - No cost share required
    - BUT, if used on groundwater banking projects, the financial assistance agreement requires 50/50 cost share

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State Funding

- State Funding (stated commitment) $200 million
- MOU with State of California
  - $100 million for implementing the Settlement
  - The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Costal Protection Bond Act of 2006."
  - "DWR and DFW each intend to assist Settling Parties in identifying State funding sources …to implement …the Settlement."

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State Funding & § 10009(a)

(1) *"…the costs of implementing the provisions of section 10004(a)(1) shall be shared by the State of California pursuant to the terms of a memorandum of understanding…which includes at least $110,000,000 of State Funds."*

(2)(A) *"IN GENERAL – The Secretary shall enter into 1 or more agreements to fund or implement improvements on a project-by-project basis with the State of California."*

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Collections and Funding Available to Date (in thousands)

	Prior FYs	FY 10	FY 11	FY 12	FY 13	FY 14	Total
Friant Capital Repayment	$0	$1,219	$192,500	$22,405	$958	$0	**$217,082**
Friant Surcharge	$0	$10,804	$7,952	$6,358	$4,305	$1,235	**$30,655**
Water and Land Sales	$0	$0	$1,449	$2,016	$480	$2,681	**$6,626**
CVPIA	$14,500	$1,000	$1,500	$2,000	$2,000	$2,000	**$23,000**
New Appropriations	$0	$5,020	$5,016	$8,892	$15,530	$26,000	**$60,458**
Total	**$14,500**	**$18,044**	**$208,417**	**$41,671**	**$23,273**	**$31,916**	**$337,821**

- FY 10 and FY 13 are actual receipts.
- FY 14 receipts are actuals as of Sept 2014.
- FY 15 is projected based on Presidents budget.
- Only $88M of the Friant Surcharge and Recovered Water Account funds can be spent without further appropriation.

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SCHEDULE / FUNDING TOOL

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Second Meeting

- ***We want your ideas!***
- Stakeholders to present how they would implement the entire Settlement
  - Consistent with the Settlement and Settlement Act
  - Within the funding and other opportunities and constraints we outlined today
  - Telling us how you would only implement "your" pieces of the Settlement is not helpful anymore, tell us a different way to do the whole thing within the constraints we have
- Tool available to help

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Discussion of Tool

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NEXT STEPS

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Second Meeting

- ***We want your ideas!***
- Stakeholders to present how they would implement the entire Settlement
  - Consistent with the Settlement and Settlement Act
  - Within the funding and other opportunities and constraints we outlined today
  - Telling us how you would only implement "your" pieces of the Settlement isnt helpful anymore, tell us a different way to do the whole thing within the constraints we have
- Tool available to help
- Deliverables:
  - Write-up on how you would do it
  - Presentation to group at next meeting

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Second Meeting

- Presentations
  - 30 minutes total for each presentation
    - Around 20 minutes for presentation
    - Around 10 minutes for questions / discussion
  - Try to keep to:
    - 2 presentations per stakeholder group (2 Friant Contractors; 2 NRDC Coalition; 2 Third Parties)
    - 1 presentation from each Implementing Agency
  - Send them and any handouts to Emily Thomas by COB, Nov 20 and we will print copies for meeting participants
    - Ethomas@usbr.gov

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Second Meeting

- Why are Implementing Agencies presenting?
  - Reclamation developed the Framework with input, but not buy in or agreement, from the Implementing Agencies
  - Different missions, different priorities – we don't all think alike

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Second Meeting

- November 24, 9 am to 4 pm
- Location?

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Next Steps

- Review of Action Items, if any

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QUESTIONS?

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SAN JOAQUIN RIVER RESTORATION PROGRAM

Meeting Summary
SJRRP Framework for Implementation Meeting #1
Monday October 27, 2014, 9 a.m. – 4 p.m.

CSU Stanislaus, Turlock CA
DRAFT

Attendees:

Juan Altamirano, Audubon CA
Tom Berliner, Duane Morris
Delyssa Bloxson, Reclamation
Gary Bobker, The Bay Institute
Hal Candee, Altshuler Berza
Steve Chedester, San Joaquin River Exchange Contractors Water Authority
Bob Clarke, U.S. Fish and Wildlife Service
Ron Cunha, Nickel Family LLC
Kevin Faulkenberry, California Department of Water Resources
Michael Finnegan, Consultant to Reclamation
Margaret Gidding, Reclamation
Michael Hagman, Lindmore I.D.
Katrina Harrison, Reclamation
Gerald Hatler, California Department of Fish and Wildlife
Paul Hendrix, Tulare I.D.
Reggie Hill, Lower San Joaquin Levee District
Chase Hurley, San Luis Canal Company
Ron Jacobsma, Friant Water Authority
Bob Johnson, Consultant to Reclamation
Tom Johnson, Restoration Administrator
Erika Kegel, Reclamation
Mark Larsen, Kaweah Delta WCD
Bill Luce, Friant Water Authority / Bill Luce Consulting
Mario Manzo, Reclamation
Erica Meyers, California Department of Fish and Wildlife
Fergus Morrissey, Orange Cove I.D.
John Netto, U.S. Fish and Wildlife Service
Adam Nickels, Reclamation
Doug Obegi, NRDC
Steve Ottemoeller, Friant Water Authority
Don Portz, Reclamation
Andy Raabe, U.S. Fish and Wildlife Service
Erin Rice, Reclamation
Paul Romero, California Department of Water Resources
Monty Schmitt, NRDC
Jim Stilwell, Farmers Water District - Mendota Pool Group
Erin Strange, NMFS
Karl Stromayer, U.S. Fish and Wildlife Service
Bill Swanson, MWH
Emily Thomas, Reclamation
Becky Victorine, Reclamation
Sharon Weaver, SJR Parkway and Conservation Trust
Doug Welch, Chowchilla WD

Next Meeting

The next Framework meeting is currently scheduled for **Monday, November 24, 2014,** from 9 a.m. – 4 p.m. in Turlock, CA. Some attendees expressed concern with the late release of the Schedule/Funding tool (expected to be distributed to participants the week of November 10), which may result in rescheduling the next meeting.

Meeting Introduction

Opening remarks highlighted emphasis on finding common ground, establishing relationships, viewing objectives as equal, and seeking to first understand. The purpose of the Framework meetings is to develop a common approach and understanding for implementing the San Joaquin River Restoration Program (SJRRP or Program) including a common understanding of SJRRP constraints and opportunities.

Process Overview

An overview of the process for the development of the 2014 Framework was presented. Key items discussed included the following:

- The goals of the 2014 Framework are to establish a realistic and achievable schedule and budget, a common vision and path forward for the SJRRP, and to identify roles and responsibilities. A realistic schedule is necessary to demonstrate program success.
- The Framework may include breaking larger projects down into smaller pieces.
- The 2012 Framework identified core activities, but assumed unlimited funding from both the State and Federal governments, and therefore was an unrealistic schedule.
- All parties have a significant risk if the Settlement fails.
- These meetings serve as a process to share and evaluate ideas as a group. Reclamation would like suggestions that are realistic and within scope. Within scope was defined as things that are within the Implementing Agencies' control.
- The schedule is uncertain after the second meeting, and will be shaped by the first two meetings. The goal is to complete the process by spring 2015; however, it may go longer if it is a productive process and needs more time.
- Reclamation will make the final decision on the Framework, but if there is an agreed solution determined through these meetings, Reclamation will implement it.

An attendee asked if Reclamation was speaking on behalf of all Federal agencies. It was noted that Reclamation is the lead agency, and while some activities are specific to the other Implementing Agencies, Reclamation is ultimately responsible for implementing the majority of the Settlement. Other agencies have input on the process, but have input along with the Settling Parties and Third Parties in a more equal setting this time compared to the 2012 Framework.

A second attendee suggested that the option of modifying the Settlement or Settlement Act might be kept open in the event that at the conclusion of the Framework meetings, an unresolvable problem arises. It was noted that Reclamation would like to stay within the confines of the process as much as possible. The only change that Reclamation is considering is the possibility of additional authorization for funding at some point in the future.

Settlement and Settlement Act

Key elements of the Settlement in *NRDC v. Rodgers* (Settlement) and the San Joaquin River Restoration Settlement Act (Settlement Act) were summarized and are identified below.

- The SJRRP released Interim Flows from 2009 to 2013. Restoration Flows began in 2014. During Restoration Flows, what Reclamation is unable to release into the river becomes managed under the Settlement.
- Reclamation determines the water year type and the Restoration Administrator (RA) recommends the flow schedule. As long as the RA's recommendation meets the requirements of the Settlement, the Settlement directs Reclamation to release flows consistent with the recommendation.
- The Settlement and Settlement Act do not prioritize the ten Paragraph 11 / Phase 1 projects, leaving flexibility for us to prioritize the projects.

- Reclamation has organized the ten Paragraph 11(a) projects into four major projects, as follows:
    - Mendota Pool Bypass and Reach 2B Channel Improvements
    - Reach 4B and Eastside and Mariposa Bypass Channel and Structural Improvements
    - Arroyo Canal Fish Screen and Sack Dam Fish Passage
    - Mud and Salt Slough Seasonal Barriers
- The Settlement includes the reintroduction of spring and fall-run Chinook salmon.
- The Water Management Goal includes a series of actions in the Settlement and Settlement Act. These include the Recovered Water Account (RWA), recapture and recirculation including the Recapture and Recirculation Plan, Friant-Kern and Madera Capacity Restoration projects, the Friant-Kern Canal Pump-back Project, and groundwater banking projects.

The question was asked about whether the decision had been made that flows were sufficient to begin the fish reintroduction effort. It was noted that this was a controversial topic, as "sufficient flows" is one component that starts the clock for fish reintroduction actions. U.S. Fish and Wildlife Service (USFWS) and the Implementing Agencies have outlined sufficient flow conditions in a draft document. Timing of projects, as discussed in the Framework, will show when we anticipate establishing sufficient flows. This may not be an important discussion for purposes of the Framework but is an important topic for the Program.

The question was asked about the number of Friant contracts converted to 9(d) contracts. It was noted that Reclamation has converted all but four contracts.

An attendee asked how the review by the State Water Resources Control Board impacts the SJRRP schedule. Reclamation noted that the Settling Parties can request a review of the flow releases in early 2026. This request would follow the provisions of Paragraph 20 of the Settlement. However, one of the items that shall be considered is progress on fish reintroduction seven years after reintroduction commences. However, Reclamation noted that the Implementing Agencies now consider reintroduction a process and therefore the start of the 7-year clock is complicated. An additional attendee clarified that a population goal must be met 7 years after the start of reintroduction, as stated on page 25 line 23 of the Settlement. An attendee expressed concern that the purpose of the 7-year review is to aid the reintroduction of fish, and that the start of this period should not be pushed back to ensure positive results.

It was noted that there is a need to define sufficient flows for reintroduction, as the USFWS already has the appropriate permits for reintroduction. Once USFWS has both permits and sufficient flows, reintroduction will commence. This is not a discretionary decision by USFWS or Reclamation. Another attendee suggested that setting fish reintroduction targets should be based on scientific information, not a political decision. This issue was put in the "bin" for future discussion.

Framework Overview

An overview of the 2014 Framework was presented. Key topics discussed included the following:

- The 2014 Framework presents 5-year visions with goals and projects, as currently envisioned by Reclamation. The four visions are as follows:
    - 2015 – 2019: Flow connectivity
    - 2020 – 2024: Increased capacity
    - 2025 – 2029: Phase 1 projects complete
    - 2030+: Operations and Maintenance
- Costs changed from the 2012 Framework to the 2014 Framework are due to higher staffing costs related to a longer time to complete actions, higher land costs for acquisition of land for seepage projects, and higher levee stability costs.
- Additionally, in the 2014 Framework, Federal appropriations have been limited to no more than $50 million per year.

An attendee clarified that Third Party concerns are beyond just the incidental take of fish, and include property issues and seepage.

A second attendee was concerned with the Mendota Pool fish screen was not included in the Framework. The group discussed the frequency and routing of flood flows into the Mendota Pool and the Chowchilla Bypass.

Based on a question, Reclamation clarified that the final Reach 2B project will be constructed to convey 4,500 cubic feet per second (cfs); only conveying 2,000 cfs in 10 year vision was to prioritize critical land acquisition first.

An attendee was concerned about fish passage up Salt and Mud sloughs, and personally had seen fish entrained there. It was noted that there is uncertainty if fish will go up Salt and Mud sloughs once there are full Restoration Flows in the San Joaquin River. The sloughs currently have high discharge compared to the main channel, but this would not be the case once there are full Restoration Flows. Reclamation also noted that the SJRRP will need to consider if the percent of fish lost in the sloughs justifies the cost of the facilities.

Funding Overview

The funding overview for the Framework was presented. Key topics discussed included the following:

- The San Joaquin River Restoration Fund (Fund) was created to implement the SJRRP, and consists of the following components:
    - Friant surcharge, dependent on water sales and hydrology, and Friant contract conversions. Contracts that did not convert contribute a small amount to the Fund, but this is approximated as zero for the purposes of the Framework, as these are minor payments.
    - Water sales and property sales.
    - Non-federal contributions (money given to Reclamation to implement the Settlement).
- $88 million was appropriated from the Fund in the Settlement Act. The reminder of funds in the Fund become not subject to appropriation in Federal Fiscal Year 2020.

- The Central Valley Project (CVP) Restoration Fund has to be appropriated as part of CVPIA, but the SJRRP does not have to get additional appropriations for this money.
- The $250 million in appropriations can only be expended equal to the sum of certain other contributions.
- $50 million Federal appropriations could be used for canal capacity projects or pump back projects, but these could also be funded from the Fund. Groundwater banking projects can only be funded with this $50 million, but have to be split at a 50/50 cost share.
- The State committed $200 million in funds as a combination of Proposition 84 and Proposition 13 and other funding sources.

An attendee clarified that the idea behind the phrase "(a cost which) would not have otherwise incurred" assumed a living river, with Reclamation releasing flow as defined by California law, not costs that were incurred because the river was not flowing. Reclamation responded that the funding tool assumes all costs are Program costs, and does not separate those which would not have occurred if the river had historically been wetted.

A second attendee asked if any state contributions went directly into the Fund. Reclamation noted that State contributions are generally more in-kind contributions from the State rather than monetary deposits to the Fund. Some in-kind contributions make sense, for example, for the levee projects, the State has responsibilities through the Central Valley Flood Protection Board, while Reclamation does not have levee responsibility currently and would rather not have those liability issues. Reclamation will likely have some levee responsibility with the future Reach 2B project, but would like to limit its responsibility to this area.

A third attendee asked if Friant surcharge funds are appropriated and spent each year, to which Reclamation responded that they were not available without further appropriations until Fiscal Year 2020. An attendee who was present when the Settlement was originally created suggested that the Friant surcharge should not count towards the $88 million because it used to be part of the baseline contribution of Friant to CVP Restoration Fund. The Settling Parties did not intend to take money that was currently available and set it aside in a Fund where it wasn't accessible until 2020.

An additional attendee suggested that State and Federal funds should be tracked separately in the tool.

It was clarified by the group that indexing of funds would not be needed to occur on a yearly basis. The final value will be equal to $250 million in 2006 price levels, so, more than $250 million now.

An attendee asked if the rules of the SJRRP cost share were more stringent than the Central Valley Project Improvement Act (CVPIA) cost shares, as the CVPIA allows State and Federal to not spend at the same rate, but to ultimately reach the appropriate shares. Reclamation can authorize and appropriate funds, but cannot spend the money before State money is spent and the collections from the Friant surcharge. It was noted that there is precedent for State and Federal cost share where appropriations are not at the same rate.

The group discussed that Proposition 84 is obligated by the State for implementing the Settlement (it was voted on), and discussed that it may be difficult to get appropriations in the future if the money is not spent. A question was raised about the $200 million committed by the State of California, if there was a plan on how to spend the money. An attendee informed the group that the State had not yet appropriated the money, and that money cannot be raised now by selling bonds and held for later use. The State has projects on the San Joaquin River, but is not sure what counts towards the SJRRP.

Another question was raised regarding how fast the State will spend money when the projects are ready. Concern was voiced that a different governor may not recognize prior commitments. Proposition 1 money could go anywhere; there are no guarantees that it could help the SJRRP.

An attendee suggested that the SJRRP could recognize the State funds set aside for the Program as State contributions. It was also noted that a major portion of salmon work throughout the State is funded by Federal grants.

It was also noted that the Fund does not get funds immediately at the start of the year, especially in the case of water sales. This could result in a strategy where the Fund is held for a while, then a chunk of money is spent, to account for variability in water sales.

Funding Tool

The Funding/Scheduling tool was presented and will be given to participants for the second meeting. An attendee asked why we are showing appropriations of up to $50 million when we have only gotten $26 million. It was answered that the $50 million assumption seemed reasonable by Reclamation and the SJRRP has been increasing in its appropriations over the life of the SJRRP.

A second attendee suggested that the tool allows for a schedule that can push out beyond 2030 on the spreadsheet, so users can assume a lower contribution from Congress. The group decided that this would require an inflation factor to allow an extended schedule, but several attendees were interested in a schedule that focused on only one or two projects at a time. It was also noted that additional mobilization costs for construction contractors also adds to the budget in addition to inflation if projects span a longer time.

A third attendee stated that levee stability costs should not be included in the SJRRP, and asked to remove this from the tool, or separate out State and Federal costs in the tool. No decision was made on this at the meeting.

An attendee asked about Unreleased Restoration Flows, the potential availability in a white paper from Reclamation was in the range of 10,000-15,000 acre-feet. Questions arose regarding using the sale of Unreleased Restoration Flows to supplement the Program. It was suggested that the Restoration Administrator could make a recommendation that would release less water into the river, and sell the additional flows as Unreleased Restoration Flows.

Attendees wanted to know what was most important to the fish agencies to help inform decisions of non-fish agency folks. An attendee from the USFWS responded that flows and passage are necessary for fish. Screens, gravel pits, etc. are related to mortality in the system, and the Program needs to balance costs with mortality.

Meeting Adjourned

4 p.m. PDT

Agenda– Framework for Implementation

San Joaquin River Restoration Program

Date: *Monday, November 24, 2014; 9am-noon*
Location: *GoToMeeting: https://global.gotomeeting.com/join/628004221*
(Meeting ID: 628-004-221)
Conf. Line: *877-718-7057; Passcode 8098142*

Purpose:

- Review updates to the tool and answer any remaining questions on how to use it
- Hear from Tom Johnson, Restoration Administrator, on his version of how to implement the entire Settlement within the funding and scheduling constraints

Schedule:

9:00a	–	Introductions	Bob Johnson
9:15a	–	Review Agenda and Purpose	Ali Forsythe
9:30a	–	Review of Updates to Tool and Opportunity for Any Remaining Questions on the Tool	Katrina Harrison
10:15a	–	RA Framework Versions	Tom Johnson
11:50p	–	Next Steps, Adjourn	Ali Forsythe

Proposed Ground Rules for this Meeting:

1. Respect the speaker and the other participants.
2. Hold your position statements for future meetings (unless you are presenting today).
3. Respect the agenda topics – off agenda items will be put in the "bin" for discussion at future meetings.
4. Limit discussions to the things Reclamation can reasonably change (i.e., what is in "scope").

Framework Financial/ Implementation Scenarios

EXAMPLES not Recommendations!

Context

- The current Framework runs into a funding shortfall by about 2022
  - Once initial state funding amounts and SJR Restoration Funds are expended, and
  - The Program runs in to federal appropriations caps.
- Completion of Settlement tasks will require:
  - the identification of additional funding sources
  - reduction of costs
  - deferral of project components
- Or, some combination of those measures in order to complete the Program.

Purpose of Scenarios

- These scenarios explore the sensitivity of the Program funding stream to various changes
- Intended to explore the boundaries of potential modifications to the Framework
- NOT a recommendation or suggested path forward – needs more work

Common Modifications and Assumptions

- Common modifications across scenarios:
  - Updated water sales to reflect current guess of availability of potential URF's (Generally assumes sale not banking, and uses best guess from modeling efforts)
- Common assumptions
  - No change to Water Management goals – relatively small(er) magnitude costs
  - Ongoing State funding level through time, amount is a guess
- Uncertainties
  - Costs are based on concept level designs, and will change (particularly for projects in out years)

Scenario 1: More Money

- Basic premise is securing additional Federal & State funding
  - Federal appropriation limit raised to $500 M
  - State appropriations include an additional $80 M 2016 – 2020, on top of $4 M/year annual commitment
  - No changes to project costs or sequence
- Remaining Shortfall $105 Fed, $219 State
- Additional sensitivities that could be explored:
  - Raise Federal appropriation to $600 M
  - Additional state funding or cost share for Levee Stability Actions
  - Additional URF revenue assumptions

Scenario 2: Extended Deferral

- Basic premise is extended deferral of project elements to remain within funding streams
- Major deferrals:
  - Levee Stability, Seepage actions above 2,500 cfs
  - Reach 4B modifications – substantial cost reduction (half of project deferred)
- Time Horizon for implementation: certainly beyond 2050, perhaps to 2065 or further
- Additional sensitivities that could be explored:
  - Further evaluation of fixed cost associated with deferral
  - Evaluation of escalation effects on out years

Scenario 3: Multiple Tools

- Additional $50M appropriation cap
- State funding $2M/yr through time, additional $90 M 2016 - 2020
- Fairly severe cost reductions where possible
- Major extensions:
  - Levee Stability, Seepage actions above 2,500 cfs
  - Reach 4B modifications – substantial cost reduction (half of project deferred)
- Time Horizon for implementation: 2050
- *This Scenario does not yet balance*

Take Away Messages

- Current Framework achieves a baseline of success (including Mendota Bypass, 1,300 + cfs flows, Arroyo Canal/Sack Dam, and much of the Water Management Goal) by about 2023 (assuming "cost share" issues resolved)
- Ultimately it will take all the tools to complete the program to the Settlement vision: efficiency, deferral of projects, cost containment, speed in implementation
- Speed of implementation will reduce fixed costs, overhead and administration

SAN JOAQUIN RIVER RESTORATION PROGRAM

Meeting Summary
SJRRP Framework for Implementation Meeting #2
Monday November 24, 2014, 9 a.m. – 12 p.m.

Conference Call and SJRRP Meeting Room, Sacramento CA
DRAFT

Attendees:

Delyssa Bloxson, Reclamation
Hal Candee, Altshuler Berza
Steve Chedester, San Joaquin River Exchange Contractors Water Authority
Bob Clarke, U.S. Fish and Wildlife Service
Kevin Faulkenberry, California Department of Water Resources
Elif Fehn-Sullivan, NMFS
Michael Finnegan, Consultant to Reclamation
Margaret Gidding, Reclamation
Katrina Harrison, Reclamation
Gerald Hatler, California Department of Fish and Wildlife
Rene Henery, Trout Unlimited
Paul Hendrix, Tulare I.D.
Ron Jacobsma, Friant Water Authority
Bob Johnson, Consultant to Reclamation
Tom Johnson, Restoration Administrator
Erika Kegel, Reclamation
Dave Koehler, SJR Parkway and Conservation Trust
Bill Luce, Friant Water Authority / Bill Luce Consulting
Mari Martin, Resources Management Coalition
Erica Meyers, California Department of Fish and Wildlife
Fergus Morrissey, Orange Cove I.D.
John Netto, U.S. Fish and Wildlife Services
Adam Nickels, Reclamation
Doug Obegi, NRDC
Steve Ottemoeller, Friant Water Authority
Rhonda Reed, NMFS
Monty Schmitt, NRDC
Erin Strange, NMFS
Karl Stromayer, U.S. Fish and Wildlife Service
Bill Swanson, MWH
Rob Tull, CH2M Hill
Emily Thomas, Reclamation
Becky Victorine, Reclamation
Dan Vink, Lower Tulare River I.D.
Peter Vorster, The Bay Institute
Sharon Weaver, SJR Parkway and Conservation Trust
Doug Welch, Chowchilla WD
Christopher White, CCID

Next Meeting

The next Framework meeting is scheduled on **Friday, December 19, 2014,** from 9 a.m. – 4 p.m. in Turlock, CA.

Meeting Introduction

The group reviewed the meeting agenda. No changes were made.

Framework Tool Updates

Reclamation presented the changes made to the Framework Tool since the Framework Tool webinar on November 11, 2014. It was clarified that the state appropriations amount was an arbitrary assumption not tied to Proposition 1.

A participant suggested that the cost of the recapture and recirculation actions should be identified and added into the spreadsheet as a line item. The costs of the environmental documents and internal work necessary to approve transfers, and similar for recapture and recirculation was included in the first recapture and recirculation line item in the spreadsheet, and the second line identifies the cost of hiring a consultant or similar actions to facilitate

recirculation actions that could aid the Friant contractors. Reclamation's position is that the actual recirculation project costs should be borne by the contractors. The spreadsheet is designed to track state and federal costs, so additional program costs are not necessarily included. The participants identified that they would like to further discuss this issue.

Framework Financial/Implementation Scenarios

Three examples of how to use the Financial Analysis spreadsheet, looking at the limits and sensitivities of the tool were presented. These scenarios are examples and not recommendations for the Program. Several assumptions were common to all scenarios: (1) modified Unreleased Restoration Flows (URFs) to a more realistic schedule that linked URFs to channel capacity; and (2) no change to Water Management Goal. The scenarios discussed were as follows:

- Scenario 1 – More money. Doubling the total Federal appropriations cap and adding an approximation of State water bonds funds still result in a shortfall when all projects are implemented in Reclamation's version of the Framework.
- Scenario 2 – Extended deferral. The most expensive items that were latest in Reclamation's timeline were deferred. Stretching the program to 2050 more than doubles fixed costs of staffing expenses, but some of these fixed costs could change if implementation is slower.
- Scenario 3 – Multiple Tools. Combined cost reduction, deferral, and additional money.

Suggestions made in the stakeholder presentations do not have to balance to zero, and it was noted that presenters can assume we will get additional appropriations in their schedules.

Other Ideas / Initial Thoughts on Scenarios

In general, the group had not had adequate time to formalize their thoughts on the Program schedule, and due to the Thanksgiving holiday and ACWA conference, some parties will not be able to start work until the second week of December.

One attendee expressed that a reorganized schedule seems more reasonable than assuming the Program would receive additional appropriations, and was interested in a balanced budget approach. The Reach 4B project was identified as expensive and potentially not feasible.

A second attendee identified that increasing flows and promoting fish restoration were priorities, and that flows are driven by levee stability and seepage issues. Concern was expressed over the lack of cost sharing flexibility in the Framework Tool and that the total Framework cost includes actions that are not required as part of the Settlement. The group suggested some "work-arounds" for potential cost share agreements in the spreadsheet, such as adding non-federal contributions or reducing the cost of the projects. Reclamation suggested that non-federal contributions should be addressed consistently to compare scenarios, and the next version of the spreadsheet will address this consistently.

An additional attendee commented that recapture and recirculation costs could also be added in to the tool under an additional funding source. The group discussed which costs should be included in the spreadsheet, and how to represent these external costs.

Meeting Adjourned

11 a.m. PDT

Agenda– Framework for Implementation

San Joaquin River Restoration Program

Date: *Friday, December 19, 2014, 9a.m. - 2p.m.*
Location: *MSR-130, CSU Stanislaus, University Circle, Turlock, CA*
Conf. Line: *877-718-7057; Passcode 8098142*

Purpose:

- Hear from meeting participants on how they would implement the entire SJRRP given the funding and scheduling constraints.

Schedule:

9 a.m.	–	Introductions	Bob Johnson
9:15	–	Ground Rules	Bob Johnson
9:30	–	NRDC Presentation	Monty Schmitt
10:15	–	Friant Presentation	Ron Jacobsma
11	–	Exchange Contractors Presentation	Chase Hurley and Cannon Michael
11:45		LUNCH	
12:45 p.m.	–	Discussion of Presentations	All
1:30	–	Next Steps	Led by Bob Johnson
2	–	Adjourn	

Directions to CSU Stanislaus:

Campus map and directions can be found here: https://www.csustan.edu/campus-maps. MSR is the Mary Stuart Rogers Building, identified as building 27 on the map.

There is a charge for parking in all lots on campus. A map of ticket dispensers can be found here: https://www.csustan.edu/maps-directions/parking-ticket-dispensers

Framework for Implementation

Meeting #3
CSU Stanislaus, Turlock, CA, - Room MSR 130
December 19, 2014

1

Logistics

- Parking
- Restrooms
- Coffee stand
- Cafeteria
- WiFi
- Sign-in Sheet

2

Agenda

- 9 am - Introductions
- 9:15 am – Ground Rules
- 9:30 am – NRDC Presentation
- 10:15 am – Friant Presentation
- 11:00 am – Exchange Contractors Presentation
- 11:45 am - Lunch
- 12:45 pm - Discussion
- 1:30 pm – Next Steps
- 2:00 pm - Adjourn

3

Desired Outcomes

- Understanding, trust & direct communication
- Common path forward for Program
- Implementing Agency roles and responsibilities identified
- Realistic SJRRP funding and schedule
- Measurable success

4

Purpose of Today's Meeting

- Hear from participants how they would implement the entire SJRRP given the schedule and funding constraints
  - Focus on learning from each other and understanding our different perspectives
  - Identify areas of commonality and differences
  - Form basis and topics for future meetings

5

Ground Rules / Commitments to Others for Todays Meeting

- Respect the speaker and the other participants.
- Limit discussions to the things Reclamation can reasonably change (i.e., what is in "scope").
- Exploratory and understanding questions are encouraged.
- Be committed to the process and working through concerns as a group
- Give the process an opportunity to succeed - refrain from elevating issues to Implementing Agency management or Congressional offices

6

Introductions

7

Introductions – Meeting Team

- Bob Johnson – Leading the Meeting
- Mike Finnegan – Independent Advisor
- Emily Thomas – Taking notes, writing "bin" items
- Margaret Gidding – Assisting meeting team as needed

8

Presentations

9

Preliminary Draft
Proposed Changes to the Draft Updated Framework for Implementation

Natural Resources Defense Council
The Bay Institute
Trout Unlimited

December 19, 2014

NRDC, TBI and TU Approach to the Updated Framework for Implementation

- Use Reclamation's phased approach of three five-year periods focused on the highest priority projects and actions consistent with the Settlement and Act in order to:
  - Increase releases of Restoration Flows up to Settlement requirements
  - Restore both fall and spring run Chinook salmon
  - Continue implementation of the Water Management Goal
- Achievable schedules with milestones based on realistic funding assumptions:
  - Bureau's federal appropriation assumption ($49M/yr)
  - State appropriations ($20M/yr)
  - Joint funding requests by Third Parties and the non-federal Settling Parties
  - Identification of cost-sharing opportunities
- Coordinated effort by Federal and State agencies

Proposed modifications to the 2014 draft Framework for Implementation

- Revise Reintroduction Implementation section
- Program management actions
- Modifications to proposed projects
- Funding assumptions
- Cost assumptions

Proposed modifications to the 2014 draft Framework for Implementation

- Joint state and federal funding plan
- Annual work plans with semiannual meetings to assess progress toward achieving goals and objectives
- Revise the Framework Reintroduction Implementation chapter to articulate a vision for how the SJRRP will:
  - Restore both fall run (FRC) and spring run Chinook (SRC) salmon populations including quantitative objectives for annual increases in escapement to achieve both the minimum population requirement in 2021 and long term population goals
  - Review Framework implementation in 2017 to ensure that the Framework is likely to achieve these population targets
  - Assist juvenile outmigration until the Mendota Pool Bypass is complete
  - Complete a detailed Fisheries Restoration Plan by January 2016

Fisheries Restoration Plan

Create a Fisheries Restoration Plan by January 2016 that is consistent with the Framework for Implementation that includes:

- A population growth and management plan for both SRC and FRC salmon, including quantitative objectives and timeline for abundance and survival rates within the restoration area to achieve long term population targets
- An assessment of existing carrying capacity for all life history stages and a plan to provide the necessary fish habitat to support long-term population goals for both FRC and SRC
- Management plan FRC and SRC relative to other tributary populations, including population size, genetics, and on-going monitoring
- Identification of a permanent project to assist juvenile outmigration in future dry years
- A plan for removal of the Hills Ferry Barrier by 2019
- Agency coordination plan that includes a lead federal agency responsible for overseeing fisheries restoration and integration with other SJRRP activities and projects
- Identify critical information gaps or system limitations necessary to achieve population goals and a monitoring plan to address information needs

Reclamation's Proposed Five Year Plan (2015-2019)

- Constructing the Salmon Conservation Facility
- Mendota Pool Bypass
- Fish passage modifications to flood control structures
- Temporary fish passage structure at Sack Dam, temporary fish screen at the Arroyo Canal
- Seepage and levee stability projects to convey 2000 cfs
- Water Management Goal projects
- Other already identified program actions and projects

Proposed changes to the 5-year Plan (2015 to 2019)

In addition to Reclamation's Proposed Actions:

- Program Management Actions
  - Semiannual meetings to assess progress on Framework Implementation
  - Fisheries Restoration Plan - January 2016
  - Fisheries management actions to achieve population targets
  - Reach 4B flow routing decision (2016) and project design (2019)
  - Renew permits for spring run - June 2016
  - Removal of Hills Ferry Barrier (use funding for Mud & Salt Slough barriers)
- Channel capacity
  - Achieve 2,000 cfs channel capacity by 2019 (cost included in current plan)
- Projects
  - Temporary incline screen at the Chowchilla Bifurcation Structure by March 2016 - Est. $1M
  - Permanent juvenile capture facility - Est. $20M

Reclamation's Proposed 10 year Plan (2019-2024)

- Increase channel capacity to 2,500 cfs
- Construct the Reach 2B levee setback and habitat restoration
- Arroyo Canal fish screen and Sack Dam fish ladder
- Permitting for fish screens Mud and Salt Sloughs
- Water Management Goal projects
- All easements and other already identified program actions and projects

Proposed changes to the 10-year Plan (2020 to 2024)

- Program management actions
  - Semiannual meetings to assess progress on Framework Implementation
  - Fisheries management actions to achieve minimum population requirements in 2021
- Projects
  - Reach 1 spawning habitat restoration if needed. Est. $10M
  - Construct permanent barriers at Mud and Salt Slough
  - Restore Reach 4B channel to convey 1500 cfs. Est. $113 M
    - Based on Reclamation's 2012 estimate for improvements achieve 475cfs.
    - Assumes remaining costs to achieve 1500 to be cost-shared.
    - Reduces Reach 4B costs from down from $234M – a decrease of $121M

Proposed changes to the 15-year Plan (2025 to 2029)

In addition to increasing channel capacity to 4,500 cfs, Reach 4B/ESB high flow improvements, completing remaining Phase 1 projects, Water Management Goal projects and other already identified program actions and projects, include:

- Program management actions
  - Fisheries management actions to achieve 2030 population objectives established by the Fisheries Restoration Plan
- Projects
  - Continue Reach 4B project
  - Reach 1 gravel pit isolation projects

Changes in funding and cost assumptions

Changes in funding assumptions:

- Friant surcharge remains at $7/AF
  - Additional $2.4M/yr or $36M over next 15 yrs
- State appropriations increases from $4M/yr to $20M/yr through 2024
  - Additional $160M
- Unreleased Restoration Flows increase from 20TAF/yr to 50TAF/yr through 2019 (consistent with Reclamation's average estimate)
  - Additional $7.5M/yr or $37.5M over next 5 years

Net change in estimated funding : + $234M

Cost of proposed changes:

- Five year vision : increase of $21M
- Ten year vision : increase of $113M
- Fifteen year + : reduction of $121M

Net change in estimated costs: + $13M

SJRRP IMPLEMENTATION FRAMEWORK AGREEMENT DECEMBER 19, 2014

San Joaquin River Exchange Contractors Water Authority

OBJECTIVES

- Implement the SJRRP as defined within the settlement and legislation
- Third Party Protections as negotiated in 2006
- Construct Phase 1 Projects in a Prioritized Fashion
- Connectivity of the Upper and Lower Rivers (staged approach)
- Reintroduction of Spring Run Salmon
- No Stranded Assets

HOW DO WE GET THERE?

- Develop and construct at the pace of funding with a phased implementation schedule
- As more funding becomes available, increase scope and scale of projects
- No flow until projects are in place (perhaps possible to do it in lower river vs. upper river with trap & haul)
- Develop basic fish passage projects
- Create conveyance pathways for up to 2500 cfs

Schedule of Actions
Comparison
Table 1.1

	3rd Parties		Bureau Version 1.1	
Goal	Date	Description	Date	Description
#1	2015-2025	Phase 1 Projects	2015-2019	Connectivity
#2	2020-2024	Increase Capacity	2020-2024	Increased Capacity
#3	2025-2029	Connectivity	2025-2029	Phase 1 Projects
#4	2030+	All Remaining Projects	2030+	All Remaining Projects

Draft
Phase 1 Project Prioritization
for 2500 cfs Channel Capacity and Fish Introduction in 2025
12/17/14

Priority	Phase I Projects	Proposed Action	Fisheries Benefit	Mitigation Protection/Justification	Completion Schedule	Cost
1	Seepage Actions (1300 – 2500 cfs)	Seepage Improvements	Allow release of restoration flows to promote fish passage, habitat development, and water temperature	Prevent crop seepage damage and exacerbating existing levee stability problems that exist even at low flows.	2015 – 2024	$135,203
2	Permanent Arroyo Canal Fish Screen and Sack Dam Fish Passage	Construct new fish screen, fish ladder, and replace Sack Dam	Promote fish passage and prevent entrainment	Prevent fish entrainment including steelhead migrating upstream	2020 - 2021	$28,808
3	Levee Stability (1300 – 2500 cfs)	Levee improvements	Allow higher restoration flows to promote fish passage, habitat development, and water temperature	Stabilize levees to prevent failure due to increased frequency and magnitude of flows	2015 – 2024	$62,888
4a	Mendota Pool Bypass	Construct 4500 cfs Bypass Channel	Fish passage around Mendota Pool to avoid predation, entrainment, and warm water temperature	Prevent fish entrainment including steelhead migrating upstream	2015 - 2025	$98,855
4b	Reach 2B Land Acquisition	Purchase land for restoration	Potential flood plain habitat	none	2020 - 2021	$47,667
4c	Reach 2B and Chowchilla Bypass Structure Improvements	Construct low flow channel and improve levees to convey 4500 cfs. Restore riparian habitat	Flood plain habitat and fish passage, Provide adequate water temperature food resources	Prevent seepage damage and fish straying	2022 - 2025	$136,733
4d	Mendota Pool Fish Screen	Construct fish screen at river entrance to Mendota Pool	Prevent entrainment when San Joaquin River flows are entering Mendota Pool	Prevent fish entrainment	2015 - 2024	$27,284
4e	Reach 3 Fish Barrier	Construct barrier to prevent fish stranding below Mendota Dam	Barrier to guide fish around Mendota Dam into the fish bypass	Prevent fish standing	2015 - 2024	$60,631
4f	Lone Tree Fish Screen	Construct fish screen	Promote fish passage and prevent entrainment	Prevent fish entrainment	2015 - 2024	$1,011
5	San Mateo Culverts	Reconstruct San Mateo Road crossing	Promote fish passage	Prevent fish standing	2015 - 2024	$9,701
6	Salt and Mud Slough Seasonal Barriers	Deploy fish barriers	Prevent straying into false migration pathways	Prevent fish stranding in sloughs	2020 - 2025	$5,567
	Phase II Projects	Proposed Action	Fisheries Benefit	Mitigation Protection	Schedule	
7	Eastside Bypass Improvements	Construct low flow channel	Facilitate fish passage	No use of Reach 4B for restoration flows	2025 - 2029	$233,999
8	Chowchilla Bifurcation Fish Passage	Modify structure to allow fish passage	Facilitate fish passage	Prevent fish stranding	2026 - 2029	$19,700
9	Gravel Pits	Fill or isolate pits from river	Reduce predation and improve water temperature	none	2026 - 2029	$2,969

Third Party Wrap-Up

PROTECTION PROJECTS	**CONCERNS**
Seepage mitigation	Connectivity
Fish screens	ESA Protections
Levee Construction	Funding Realities
Levee stability	Stranded Assets

San Joaquin River Restoration (SJRR) Program Financial Anal
Dashboard (Draft, Subject to Revision)

Funding Sources & Constraints

Statutory Limitations on Total Expenditures

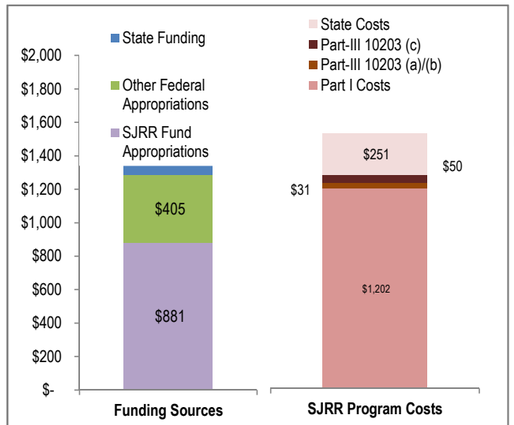
SJRR Fund Expenditure Cap (2010 - 2019)	$	88,000,000
WRR Federal Appropriations Cap	$	250,000,000
WRR Federal Expenditure Cap Part-III 10203 (c)	$	50,000,000
SJRR Fund Expenditure Cap Part-III 10203 (a)/(b)	$	52,000,000

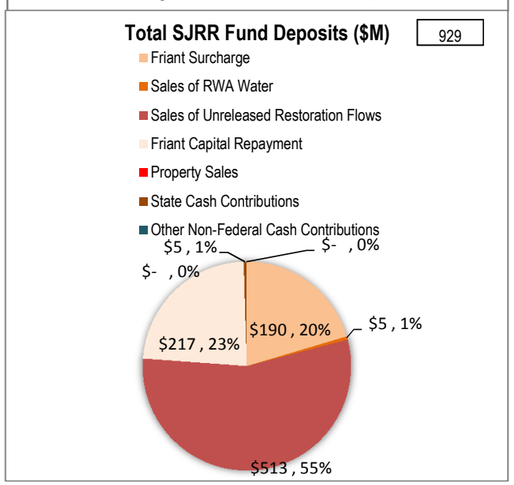
Projected Program Funding FY 2015 Ð FY 2050

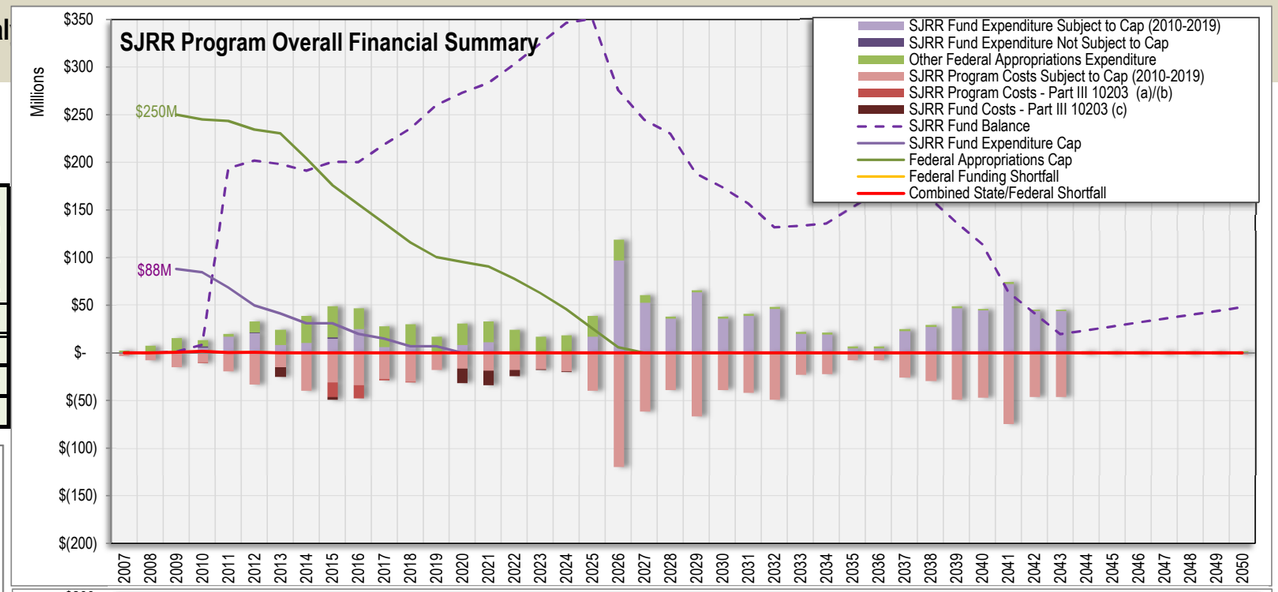
SJRR Fund Appropriations		
Friant Surcharge		
Average Contract Deliveries (AF/Year)		1,000,000
Surcharge Rate (2020-2039)	$	4.00
Sales of Recovered RWA Water		
Average RWA Sales (AF/Year)		5,000
RWA Rate ($/acre-foot)	$	10.00
Sales of Unreleased Restoration Flows		
Average Annual URF (AF/Year)		122,000
URF Rate ($/acre-foot)	$	145.00
Friant Capital Repayment		
Remaining Repayment	$	-
Property Sales		
Sales and Leases ($ per year)	$	-
Non-Federal Contributions		
State Cash Contributions ($ per year)	$	-
Other Cash Contributions ($ per year)	$	-
Subtotal ($ per year)	**$**	**21,740,000**
Other Federal Appropriations		
CVPIA Restoration Fund ($ per year)	$	2,000,000
P.L. 111-11 WRR ($ per year)	$	20,000,000
Other Appropriations ($ per year)	$	-
Subtotal ($ per year)	**$**	**22,000,000**
State Funding		
Appropriations ($ per year)	$	5,000,000
Total Projected Annual Program Funding	***$***	***48,740,000***

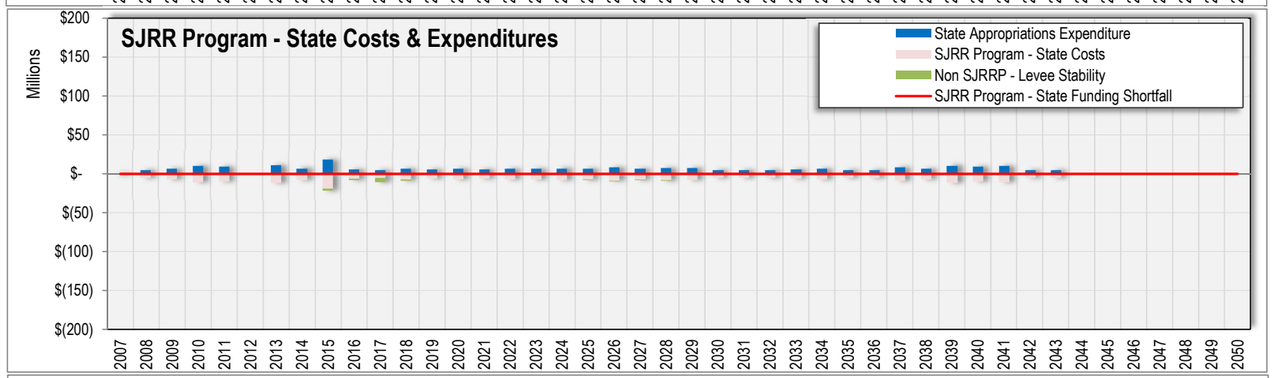
SJRR Program Financial Summary

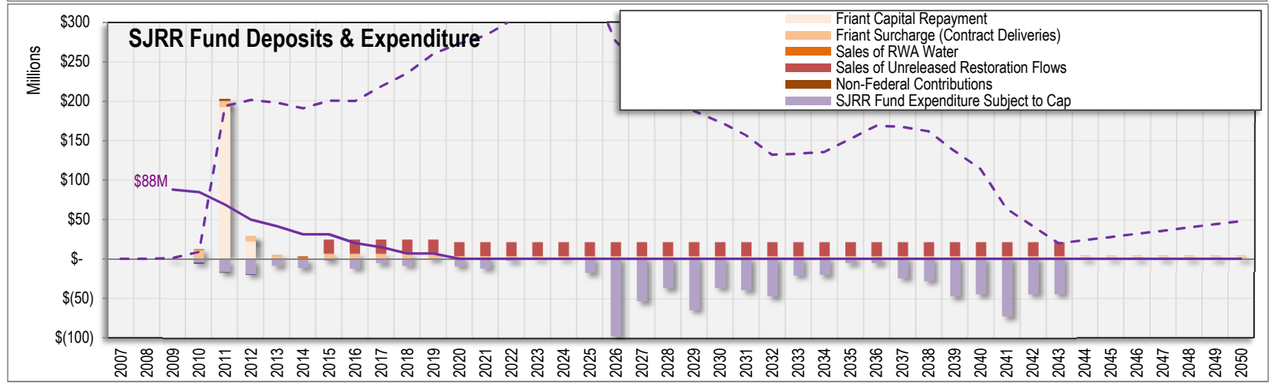
Projected Program Funding from 2007 to	**2050**	
SJRR Fund Appropriations ($M)	$	929
Other Federal Appropriations ($M)	$	405
State Appropriations ($M)	$	295
Subtotal ($M)	**$**	**1,630**
Total Projected Costs (2007 - 2050) ($M)	**$**	**1,534**
Levee Stability Costs	**$**	**15**
Total Surplus/Shortfall ($M)	**$**	**3**











Key:

SJRR Program Costs -Part III 10203 (a)/(b) = Include $35M for completion of feasibility studies for Friant Kern Canal and Madera Canal capacity restoration, and up to $17M for Friant Kern Canal pump back facilities.

SJRR Program Costs -Part III 10203 (c) = Include $50M for Financial Assistance for Local Projects.

NEXT STEPS

1

Next Steps - Topics

- To be added at lunch

2

Next Steps

- Conference Call in January to discuss
- Future Meetings
  - Process will be inclusive as possible, however, there may be a need for:
    - Focused workgroups to address topics
    - Focused discussions among the Implementing Agencies only and Settling Parties only
    - Results of focused discussions brought back to the larger group

3

QUESTIONS?

4

5

SAN JOAQUIN RIVER RESTORATION PROGRAM

Meeting Summary
SJRRP Framework for Implementation Meeting #3
Friday, December 19, 2014, 9 a.m. – 3 p.m.

CSU Stanislaus, Turlock CA
DRAFT

Attendees:

Tom Berliner, Duane Morris
Delyssa Bloxson, Reclamation
Gary Bobker, The Bay Institute
Hal Candee, Altshuler Berza
Steve Chedester, San Joaquin River Exchange Contractors Water Authority
Bob Clarke, U.S. Fish and Wildlife Service
Kevin Faulkenberry, California Department of Water Resources
Elif Fehm-Sullivan, NMFS
Michael Finnegan, Consultant to Reclamation
Ali Forsythe, Reclamation
Margaret Gidding, Reclamation
Katrina Harrison, Reclamation
Paul Hendrix, Tulare I.D.
Chris Hildebrandt, Ducks Unlimited
Reggie Hill, Lower San Joaquin L.D.
Ron Jacobsma, Friant Water Authority
Bob Johnson, Consultant to Reclamation
Tom Johnson, Restoration Administrator
Erika Kegel, Reclamation
Dave Koehler, SJR Parkway and Conservation Trust
Bill Luce, Friant Water Authority / Bill Luce Consulting
Mari Martin, Resources Management Coalition
Cannon Michael, San Joaquin River Exchange Contractors Water Authority
Fergus Morrissey, Orange Cove I.D.
John Netto, U.S. Fish and Wildlife Service
Tyler Nunes, Reclamation
Doug Obegi, NRDC
Steve Ottemoeller, Friant Water Authority
Rhonda Reed, NMFS
Paul Romero, California Department of Water Resources
Monty Schmitt, NRDC
Erin Strange, NMFS
Jeff Single, California Department of Fish and Wildlife
Karl Stromayer, U.S. Fish and Wildlife Service
Emily Thomas, Reclamation
Becky Victorine, Reclamation
Sharon Weaver, SJR Parkway and Conservation Trust
Doug Welch, CWD

Phone:

Gerald Hatler, California Department of Fish and Wildlife
Don Portz, Reclamation
Chris Acree, Revive the San Joaquin
Peter Rayburn, River Partners
Randy Houk, Columbia Canal Company
Chris Aldewell, Farmers Water District

Next Meeting

January 15, 2015 12:30 – 2:30pm : Conference Call

Conference call with larger group. Identify additional topics to address in small groups. Formed small groups should prepare to give a status report.

February 5th 9:00am – 4:00pm in Turlock, CA

The next Framework meeting is scheduled in early February, for the small working groups to present their findings.

Meeting Introduction

The group reviewed the meeting agenda and the ground rules for the meeting.

NRDC Presentation

NRDC presented the proposed changes to the Framework for Implementation from NRDC, Trout Unlimited, and the Bay Institute. NRDC agreed generally with the projects proposed by Reclamation, but emphasized that success in gaining additional funding will depend on the Settling Parties and Third Parties asking for money together to fund projects that will benefit all the communities along the river, including Friant and the Exchange Contractors. NRDC also emphasized that coordination between State and Federal agencies is key to the success of the Program.

Several general items were identified to change in the Framework Document, including:

- Annual work plans should be created to track the progress of the Program, talk about program successes, identify funding needs, and to anticipate future problems in the Program.
- A Fisheries Restoration Plan should be added, with an appropriate review period. This plan will allow the Program to track progress being made with regards to fisheries restoration. It should identify what we *need* to achieve by certain year marks, not relying on the Program completing fisheries restoration as best as it can.

NRDC also identified changes specifically for the 5-year vision used in Reclamation's version of the Framework. There were no changes in the major projects identified in Reclamation's version of the Framework for the first five years. The major changes or additions to the 5-year vision were identified as follows:

- Make a decision on flows in Reach 4B. Complete environmental permitting for this task based on the flow decision to reduce the scope required in the permits and shorten the time necessary to complete the permitting.
- Remove the Hills Ferry barrier. Relocate the barrier to Mud and Salt sloughs.
- Achieve 2,000 cfs Restoration Flows by 2019. This is a high priority issue for NRDC.
- Add a permanent juvenile capture facility to address dry years similar to the 2014 water year. This would be used in low-flow dry years and would not be necessary at high flows. The cost of this project was identified as approximately $20 million.

It was clarified that an alternative for the Reach 4B process might be identified as a preferred alternative in the NEPA process to expedite the permitting process, and shorten the time frame necessary to complete the Reach 4B project environmental compliance. Additionally, this would help the Central Valley Flood Protection process.

NRDC continued describing the suggested changes to the Framework Document with the 10-year vision. The major changes proposed included:

- Create additional spawning habitat, assuming that there is some deficiency in spawning habitat. Include a $10 million dollar placeholder to cover the costs of creating spawning habitat.
- Construct permanent barriers at Mud and Salt sloughs.

- Reach 4B project – Framework does not currently include this, but there is no plan to get adults upstream in a low-flow channel, and the adults require a pathway to move upstream. Restore a 475 cfs channel in Reach 4B. Come up with a vision for Reach 4B, and deal with seepage issues and fish passage issues. There is potential for a cost share agreement with the Flood Board, as the board defines 1,500 cfs capacity through Reach 4B.

NRDC continued with the 15-year vision, which included all the projects currently identified in Reclamation's 15-year vision. NRDC added the following:

- Reach 4B would continue to build out over this time.
- Reach 1 Gravel Pit isolation projects should be completed, in collaboration with San Joaquin River Conservancy.

The budget defined by NRDC assumed a $7 per acre-foot Friant surcharge for the duration of the Program, a State appropriation of $20 million per year, and an increase in Unreleased Restoration Flows (URFs) from 20,000 to 50,000. Fifty thousand acre-feet was chosen as a middle estimate between an extreme were the RA releases the maximum amount of water possible, and a minimum value where the RA does not redistribute any of the water that exceeds channel capacity during the spring and fall pulse.

A participant asked about the $10 million in exploration and analysis of levee stability to 1,300 cfs in the 5 year vision, and how much the cost would increase to get to 2,000 cfs. NRDC responded that a reasonable estimate of costs to increase levee stability to 2,000 cfs would need to be made. 2,000 cfs was an important biological target for fish.

A second participant asked how NRDC would assist in juvenile outmigration prior to the Mendota Pool Bypass. NRDC responded that one temporary solution would be trucking juveniles around Mendota Dam, with a release point down river.

The group discussed the driving forces behind the Hills Ferry Barrier, and if there were complications to removing it. An attendee clarified that the Hills Ferry Barrier was funded by the Department of Water Resources (DWR) in the Four Pumps Agreement, is on a three year funding cycle, and will come up for funding renewal in 2016. By moving the barriers to Mud and Salt sloughs, fish would be able to move up the river as channel capacity increased. It was noted that the barrier was mitigation for another project and there might be a requirement or need to replace the barrier with alternative mitigation.

The group discussed the potential for a cost share agreement to increase the Reach 4B capacity to 1,500 cfs. NRDC referenced that the Central Valley Flood Protection Plan shows Reach 4B has a capacity of 1,500 cfs; however, it currently cannot convey that capacity. An attendee asked if it has been demonstrated that 1,500 cfs is needed for flood control in Reach 4B, and NRDC responded that subsidence has likely reduced the capacity of the Eastside Bypass, which could be an issue for landowners if the levee system does not hold the design capacity.

It was clarified that the Friant surcharge would remain at $7 per acre foot for the duration of the Program under NRDC's plan.

The group then discussed the opportunities available for State funding. NRDC responded that DWR has appropriated dollars that have not been allocated or spent in Proposition 1E, which

would be suitable for the Program, as it related to flood control improvements, and also from the water bond. A participant from DWR clarified that there is Proposition 1E money available, but the Delta has a higher priority to receive this money. From the water bond, there is $475 million that can be potentially obligated to five different projects, including the SJRRP. The exact amounts that will be allocated to each project have not been determined, but there is potential for the Program to receive a portion of these funds, especially with support from the public. One clear funding option is from Proposition 1. The additional $160 million could come from a combination of not yet spent Proposition 84 money, Proposition 1E money, and funds from Proposition 1. These are funds that already exist and have not yet been expended.

Reclamation supported the idea of annual work plans, semi-annual meetings, and the Fisheries Restoration Plan. Communication with the Settling Parties and Third Parties is important to the Program. Completing the Framework will allow the Program to establish a more specific timeline for the Fisheries Restoration Plan; however, there are still likely to be surprises with fish reintroduction, which the Program will address early on if possible. NRDC is not suggesting huge changes, all appear to be feasible. NRDC understands that it takes staff to complete these actions. The Program needs to determine a staffing plan, and make sure that individuals are not being overwhelmed by projects. NRDC wants to make sure that the State is also on board, and that there is full buy-in from the other Implementing Agencies. The Federal agencies should work this out now. Overall, the Program should pick up the pace of this process and move forward from planning to construction.

A participant from Friant expressed concern that the Water Management Goal was not being advanced concurrently in the NRDC schedule. NRDC had made no changes to the Water Management Goal timeline. The participant responded that the Water Management Goal needs to accelerate to keep pace with additions to the Restoration Goal. As more water is released further down the river, it will be harder to recapture and recirculate the water back to Friant. NRDC understands the concerns, but did not want to weigh in on the Water Management Goal. There isn't water currently going downstream, so the Restoration Goal has a lot of catching up to reach the progress of the Water Management Goal.

It was clarified that the amount of URFs in NRDC's presentation was based on biological need, and limited by the downstream channel capacity and the hydrologic year type. When determining the amount of URFs, NRDC went with the midline, 50,000, which is more URFs than were previously allocated in the Framework.

Friant Presentation

Friant's version of the Framework was presented. The emphasis from Friant was to include Recapture and Recirculation operations and maintenance (O&M) costs in the Framework document. The Settlement limits the funding that the Friant contractors have to provide, and recapture and recirculation was not included as one of the listed costs. Therefore, the recapture and recirculation costs should be included in the Framework cost spreadsheet, and the Program should determine how to pay for the costs. Friant suggests selling URFs to balance the budget, and did not consider biological needs in this analysis of the quantity of URFs to sell.

Other major modifications in the schedule proposed by Friant were as follows:

- Channel capacities above 2,500 cfs, including levee and seepage actions, were indefinitely deferred. Adding in levee and seepage actions to increase flows above 2,500 cfs causes a deficit in the Friant vision.
- Generally, flow releases should follow the channel fixes. Releasing water without facilities constructed or channels modified is a waste of water.
- A Recapture Plan should be in place before water is released, especially if the water is of limited biological benefit.

Friant also requested including a worst case federal funding scenario where the Program receives only $20M in appropriations per year.

A Friant contractor clarified that they had calculated $145 per acre foot for the URF sale price using a weighted average based on water year type. Using about $60 per acre-foot for a wet year, and about $600 per acre-foot for a critical dry year, Friant took a weighted average of the volume of water that would be available in each year type. Most URFs are available in wet years when the value of water is lower, so the weighted value is closer to the low end of the range. NRDC used a value of $250 per acre-foot in their calculations, which Friant thinks is too high.

The group discussed several other funding mechanism assumptions used in the Friant Presentation. A Friant contractor clarified that none of the Federal or State appropriation values were changed from Reclamation's version of the Framework. By indefinitely deferring the costs for seepage and levee stability above 2,500 cfs, the San Joaquin River Restoration Fund balance stays positive. It was further clarified that the Friant surcharge was only reduced to $4 per acre-foot for a 20 year period, and that the spreadsheet automatically made that correction.

It was further clarified that Friant was not proposing to change the sequence of the projects from that defined in Reclamation's version of the Framework, just to indefinitely defer seepage and levee stability over 2,500 cfs.

The group then discussed how high amounts of URFs would affect the flow schedule. Friant had not looked at the hydrographs, but that most of the flows would come in wet years. A participant suggested that it was important to consider what revised channel capacities below 2,500 cfs and the higher amount of URFs would look like hydrologically.

It was clarified that Friant had looked at the cost of recapture and recirculation and determined the amount of URFs required to fund recapture and recirculation, and did not base the amount of URFs off minimum flows for biological requirements, or the channel capacity. It was further clarified that selling URFs was used to balance the whole Program, not just recapture and recirculation costs.

The group then discussed the funding mechanism for recapture and recirculation. Friant reiterated that the SJRRP should pay for the cost of recapture and recirculation. There was further discussion about the possibility of Friant making a profit off the water recaptured by the Program. Friant did not think it was possible to recapture enough water to offset the loss, and if the Program was able, the proceeds from those sales would be used to offset the deficiency to Friant that is being caused by the Program. The money would be used to buy water.

Friant further reiterated that cost of getting the water back to Friant should be paid for by the Program, and clarified that the districts would rather have water back in the districts, not in the San Luis Reservoir. To Friant, getting water back to the districts was part of the deal. Reclamation asked if this is a decision that can be made in the Recapture and Recirculation Plan, or if this is a decision that needs to be addressed now. Do we need to bring every drop of water back at all costs, or do you want to sell water out of the San Luis Reservoir? This decision changes what is in the Recapture and Recirculation Plan, and also changes how Reclamation approaches the Recapture and Recirculation Plan. A Friant contractor responded that there is a price point to weigh whether it is better to get the water back or to sell it. The other aspect is the timing of when Friant would get the water. Water is more valuable in peak irrigation season versus the winter, in a dry year versus a wet year. There may also be less flexibility using groundwater in the future as groundwater legislation develops. The goal is to get water back to Friant. When it makes less sense to do this, Friant would be open to selling water elsewhere. A second Friant contractor responded that they have never sold water on the west side before if they can instead keep in on the east side. Chowchilla Water District stated that they want every drop of water back, and does not want to sell water on the west side. Orange Cove Irrigation District stated that their objective is to be sustainable, not to make a profit.

Reclamation responded that a multiple year agreement will likely be necessary to get water back to the Friant Division, which would require Friant to commit to multi-year agreements. A Friant contractor responded that they are interested in these agreements, and have experience with deals and transfers. Friant expressed concern that if Reclamation comes up with a plan to recirculate the water, then Friant is obligated to take the water at any cost. If a funding plan is in place, that is not dependent on Friant paying for every acre-foot of water, then there is a different dynamic. There could be some contribution from the Friant contractors, but some of the Restoration Fund would also have to be spent on recirculation. Reclamation has no problem with the water districts selling water on the west side, it is just difficult when Reclamation is paying to get the water to the districts, then Friant is profiting from these sales. A member of Friant responded that if Friant was profiting, then they would better understand this concern, but Friant isn't getting all the water back, and the districts need money in the bank to purchase more water.

A participant from NRDC responded that Friant has made the point that their first priority is getting water back to the Friant Division, but Reclamation also makes a good point that public money is making water cheaper for Friant. However, the central purpose of the Settlement is to restore flows to a dry river. The whole purpose of the trial was to establish a living river again, so there should be no incentive to reduce the amount of water going into the river to below the biological need. The idea that URFs would be used to manipulate the system to put less water in the river is in conflict with the central purpose of the Settlement. Sometimes selling and repurchasing water is part of the equation; however, the fundamental point of the Settlement is to put the water in the river. NRDC is troubled when we're talking about taking water back out of the river. A Friant contractor responded that the Program has exceeded its price range, and Friant doesn't want the Program to drag out indefinitely. The Program is better off selling water to accelerate the entire Program rather than releasing water that isn't needed to meet the biological need. Money from URF sales could further the entire Program, including the Restoration Goal. This is one way to get additional money into the Program.

Additional discussion surmised that there were concerns from some about releasing flows below what was determined as the biological need for fish. The flow release schedule was based on fish biology. It was understood that the Program cannot currently release flows at channel capacity, and therefore URFs will exist until capacity improvements are made. Reclamation identified this as an issue to discuss later.

Exchange Contractors Presentation

The Exchange Contractors presentation also represents the Levee District. They had not yet analyzed the cost of their plan, but had several general points:

- Connectivity is a concern. Construct Phase I projects in a prioritized fashion.
- No stranded assets. If and when the funds run out, make sure that the river is operational, water is flowing, and third parties are still protected.
- Build one project at a time.
- No flows until projects are in place.

In the Exchange Contractor's vision, Phase I projects were started in 2015, but finished by 2029. The highest priority goal is to complete Phase I projects, including channel capacity to 2,500 cfs, before flows are released. The main concerns are seepage mitigation, Endangered Species Act (ESA) protection, levee construction, and levee stability. Landowners have a lot at risk when water and fish are back in the system. Want to only build things once and avoid temporary solutions, such as a temporary barrier at Arroyo Canal.

It was explained that landowners are most concerned about river connectivity because after a river is connected, there is no turning back. If this occurs prior to the development of facilities to protect landowners from ESA, ESA protected fish could enter diversion points, which scares landowners. Administrative actions could provide this protection, as long as the ESA protection doesn't expire before projects are complete. National Marine Fisheries Service (NMFS) clarified that only 1 to 2 species of fish that may be present on the San Joaquin River are endangered. Several others have threatened status, but these species have fewer restrictions. Administrative options are available to protect landowners. A landowner expressed concern that threatened species can also become endangered.

The group then discussed concern over stranded assets. The Exchange Contractors explained that there is concern that if the funding stream falls apart while projects are being constructed, the half completed projects could affect the Exchange Contractor's ability to divert water for irrigation. It was clarified that this may not necessarily require only building one project at a time, but rather ensuring that the Program has the funds to complete a project prior to the start of that project.

NRDC pointed out that throughout the process of developing the Settlement, the Settling Parties reached out to the Third Parties and included protections for Third Parties within the document. Through this process, the Exchange Contractors and Third Parties agreed to fully support the Settlement. There are risks and uncertainties on all sides, but the Settlement was a deal that everyone involved agreed to. A landowner responded that he was concerned that the Program would not come through with adequate money for the projects. NRDC responded that they understand that there is funding uncertainty within the Program, but building one project at a

time is not consistent with the Settlement. Third Parties have the experimental population designation to protect them from ESA. Even though the projects may not occur as fast as the Program would like, they are still important. A living river is the fundamental purpose of the Settlement. The program is not releasing flows that will harm landowners, and nothing will go down the river that exceeds channel capacity. NRDC is concerned that the Third Party proposal is a proposal to never restore the river. A landowner responded that he is not against connectivity, just wants to ensure he is protected when it occurs.

NRDC suggested that the Third Parties go along with the Settling Parties to ask for more money from the State and Federal Governments, and asked why the Third Parties hadn't helped ask for funds before.

A landowner concluded by stating that, at the end of the Program, the Third Parties will be left with the effects of the projects on a daily basis.

Post Lunch Discussion

Reclamation discussed next steps for the group. Five working groups were identified to focus on and collect additional information on specific topics to bring back to the large group. The five working groups were identified as follows: ESA protections, URFs, stranded assets, Program management improvements, and Recapture and Recirculation costs. Volunteers were solicited for the groups.

It was clarified that the ESA small group will discuss the ESA protections that are and are not in place, and will look into administrative tools available for protecting Third Parties.

The group discussed how the URF small group would interact with Reclamation's Solicitor's office. It was suggested that the small group could focus on the technical analysis of URFs.

Continuing the discussion of URFs, the group questioned if funds from URF sales could be spent on the Water Management Goal, as the Settlement says "to best further the Restoration Goal". Reclamation would need to evaluate this offline and possibly consult with the Solicitor's Office. The small group will perform a technical analysis, and not address these policy decisions, which includes if recapture and recirculation can be funded with URFs.

It was suggested that a small group could be created to sequence the projects, and sequence the channel improvements, including contingencies for less funding than anticipated. The group was more focused on the idea of a stranded assets small group. Reclamation has a system of checks and balances to ensure there are no stranded assets, including a value engineering process and design reviews. Reclamation has made mistakes in the past, but things have been put in place to avoid making these mistakes again.

Meeting Adjourned

3 p.m. PDT

Agenda– Framework for Implementation

San Joaquin River Restoration Program

Date: *Thursday, February 5, 2015, 9a.m. - noon*
Location: *Live Meeting Link –*
https://www.livemeeting.com/cc/usbr/join?id=T95W8S&role=present&pw=H4$-b6':d
See Access Information Below
Conf. Line: *877-718-7057; Passcode 8098142*

Purpose:

Updates from the Small Groups and Next Steps for development of the Framework.

Schedule:

9 a.m.	–	Introductions	Bob Johnson
9:15	–	Updates from Small Groups	Small Group Leads
		Unreleased Restoration Flows	
		ESA Small Group	
		Recirculation Costs and Approach	
		Construction Approach, Stranded Assets	
		Program Management Transparency Improvements	
10:15	–	Next Steps for Framework	Ali Forsythe
		Review of 12/19 Discussions	
		Next Steps	
		Schedule Next Meeting	
11:45	–	Action Items	Ali Forsythe
noon	–	Adjourn	

Live Meeting Information:

Join the meeting
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Framework for Implementation

Meeting #4
Live Meeting and Conference Call
February 5, 2015

1

Agenda

- 9 am - Introductions
- 9:15 am – Updates from Small Groups
- 10:15 am – Next Steps for Framework
- 11:45 am – Action Items
- noon – Adjourn

2

INTRODUCTIONS

3

UPDATES FROM SMALL GROUPS

4

Unreleased Restoration Flows

5

Unreleased Restoration Flows

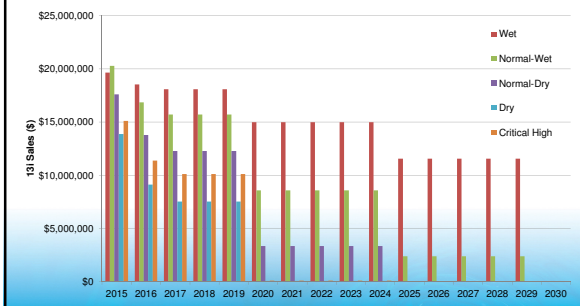
- 1 meeting to date
- Outcomes:
  - Better quantified Unreleased Restoration Flows and potential funding
- Status:
  - 2/13: Update to URF Analysis
  - 2/19: Next URF smallgroup meeting
  - 2/20: Comments due from Small Group on URF Memo
  - 2/27 URF Memo sent to Large Group for discussion at next large group meeting

6

Maximum URFs (Exhibit B no riparian, Scenario 1A)

Year	Constraint (cfs)	Wet (Acre-Feet)	Normal-Wet (Acre-Feet)	Normal-Dry (Acre-Feet)	Dry (Acre-Feet)	Critical High (Acre-Feet)	Average (Acre-Feet)
2015	375			106,190	52,235	37,983	41,212
2016	600	279,268	169,396	83,024	34,394	28,562	137,881
2017	700	272,609	157,696	73,992	28,358	25,388	129,297
2018	700	272,609	157,696	73,992	28,358	25,388	129,297
2019	700	272,609	157,696	73,992	28,358	25,388	129,297
2020	1,490	225,889	86,293	20,275	317	317	77,208
2021	1,490	225,889	86,293	20,275	317	317	77,208
2022	1,490	225,889	86,293	20,275	317	317	77,208
2023	1,490	225,889	86,293	20,275	317	317	77,208
2024	1,490	225,889	86,293	20,275	317	317	77,208
2025	2,725	174,200	24,156	0	0	0	42,087
2026	2,725	174,200	24,156	0	0	0	42,087
2027	2,725	174,200	24,156	0	0	0	42,087
2028	2,725	174,200	24,156	0	0	0	42,087
2029	2,725	174,200	24,156	0	0	0	42,087
2030	4,500	0	0	0	0	0	0
TOTAL		3,097,543	1,194,724	512,566	173,290	144,298	1,163,461

Maximum URFs (Exhibit B, no riparian)



Minimum URFs

(with Pool Recapture, rescheduled – Scenario 4B)

Year	Constraint (cfs)	Wet (Acre-Feet)	Normal-Wet (Acre-Feet)	Normal-Dry (Acre-Feet)	Dry (Acre-Feet)	Critical High (Acre-Feet)	Average (Acre-Feet)
2015	1,490			0	0	0	0
2016	1,490	125,959	0	0	0	0	25,192
2017	1,490	125,959	0	0	0	0	25,192
2018	1,490	125,959	0	0	0	0	25,192
2019	1,490	125,959	0	0	0	0	25,192
2020	1,490	125,959	0	0	0	0	25,192
2021	1,490	125,959	0	0	0	0	25,192
2022	1,490	125,959	0	0	0	0	25,192
2023	1,490	125,959	0	0	0	0	25,192
2024	1,490	125,959	0	0	0	0	25,192
2025	2,725	0	0	0	0	0	0
2026	2,725	0	0	0	0	0	0
2027	2,725	0	0	0	0	0	0
2028	2,725	0	0	0	0	0	0
2029	2,725	0	0	0	0	0	0
2030	4,500	0	0	0	0	0	0
TOTAL		1,133,632	0	0	0	0	226,726

Maximum URF Funds

(Exhibit B, no riparian – Scenario 1A)

Year	Constraint (cfs)	Wet ($)	Normal-Wet ($)	Normal-Dry ($)	Dry ($)	Critical High ($)	Average ($)
2015	375			$17,612,666	$13,861,065	$15,118,941	$7,967,717
2016	600	$18,526,629	$16,856,623	$13,770,417	$9,126,691	$11,368,812	$14,717,194
2017	700	$18,084,913	$15,692,300	$12,272,300	$7,525,104	$10,105,611	$13,539,352
2018	700	$18,084,913	$15,692,300	$12,272,300	$7,525,104	$10,105,611	$13,539,352
2019	700	$18,084,913	$15,692,300	$12,272,300	$7,525,104	$10,105,611	$13,539,352
2020	1,490	$14,985,488	$8,586,969	$3,362,830	$84,213	$126,320	$6,599,722
2021	1,490	$14,985,488	$8,586,969	$3,362,830	$84,213	$126,320	$6,599,722
2022	1,490	$14,985,488	$8,586,969	$3,362,830	$84,213	$126,320	$6,599,722
2023	1,490	$14,985,488	$8,586,969	$3,362,830	$84,213	$126,320	$6,599,722
2024	1,490	$14,985,488	$8,586,969	$3,362,830	$84,213	$126,320	$6,599,722
2025	2,725	$11,556,445	$2,403,727	$0	$0	$0	$3,032,407
2026	2,725	$11,556,445	$2,403,727	$0	$0	$0	$3,032,407
2027	2,725	$11,556,445	$2,403,727	$0	$0	$0	$3,032,407
2028	2,725	$11,556,445	$2,403,727	$0	$0	$0	$3,032,407
2029	2,725	$11,556,445	$2,403,727	$0	$0	$0	$3,032,407
2030	4,500	$0	$0	$0	$0	$0	$0
TOTAL		$205,491,032	$118,887,002	$85,014,129	$45,984,136	$57,436,185	$111,463,613

Minimum URF Funds

(Recapture, Rescheduled – Scenario 4B)

Year	Constraint (cfs)	Wet ($)	Normal-Wet ($)	Normal-Dry ($)	Dry ($)	Critical High ($)	Average ($)
2015	1,490			$0	$0	$0	$0
2016	1,490	$8,356,130	$0	$0	$0	$0	$1,671,226
2017	1,490	$8,356,130	$0	$0	$0	$0	$1,671,226
2018	1,490	$8,356,130	$0	$0	$0	$0	$1,671,226
2019	1,490	$8,356,130	$0	$0	$0	$0	$1,671,226
2020	1,490	$8,356,130	$0	$0	$0	$0	$1,671,226
2021	1,490	$8,356,130	$0	$0	$0	$0	$1,671,226
2022	1,490	$8,356,130	$0	$0	$0	$0	$1,671,226
2023	1,490	$8,356,130	$0	$0	$0	$0	$1,671,226
2024	1,490	$8,356,130	$0	$0	$0	$0	$1,671,226
2025	2,725	$0	$0	$0	$0	$0	$0
2026	2,725	$0	$0	$0	$0	$0	$0
2027	2,725	$0	$0	$0	$0	$0	$0
2028	2,725	$0	$0	$0	$0	$0	$0
2029	2,725	$0	$0	$0	$0	$0	$0
2030	4,500	$0	$0	$0	$0	$0	$0
TOTAL		$75,205,166	$0	$0	$0	$0	$15,041,033

Summary

- 161 TAF is the maximum WY Type average – for a channel capacity constraint of 375 cfs @ Friant
- 77 TAF is the maximum WY Type average when constrained by 2B levees
- 42 TAF is the maximum WY type average when constrainted by seepage and levee stability to 2,500 cfs

ESA Small Group

13

ESA Smallgroup

- 3 meetings to date
- Outcomes:
  - ESA Appendix for the Framework
  - No remaining ESA liabilities given construction schedule, physical barriers in the ESB and at Sack Dam, and a 4(d) water screening rule as backup
- Status:
  - 2/6: Small Group Comments due on Appendix
  - 2/13: Reclamation to update Appendix and send to large group
  - Discuss at next large group meeting

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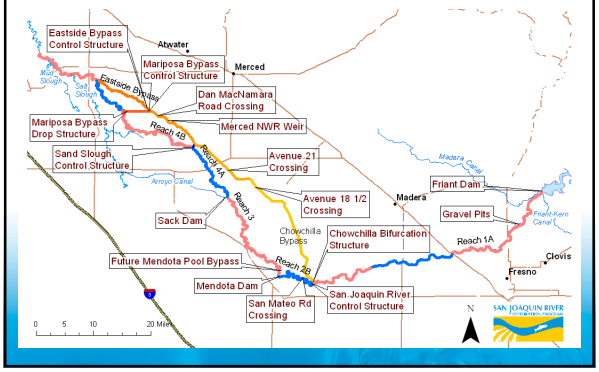
Listed Species

Species	Migration Period	Lifestage and Direction	Reaches	Current Presence	Listing
Spring-run Chinook Salmon adults	March - May	Upstream	All	Not observed	Federal and State - threatened
Spring-run Chinook Salmon juveniles	November - May	Downstream	All	Reach 5	Federal and State - threatened
Central Valley Steelhead	October - March	Adults Upstream & Downstream, Juveniles Downstream	All	Not observed	Federal - threatened
Green Sturgeon	February - July	Adults Upstream & Downstream, Juveniles Downstream	4B-5	Not observed	Federal - threatened
Pacific Lamprey adults	March - June (primarily)	Upstream	All	Not observed	Federal Species of Special Concern (not listed)
Pacific Lamprey Ammocoetes (juveniles)	December - April (primarily)	Downstream	All	Not observed	Federal Species of Special Concern (not listed)
Kern Brook Lamprey	N/A	N/A	1A	Observed in Reach 1A	State Species of Special Concern (not listed)

15

Downstream Barriers



Species Protections

Species	Listing	Earliest Presence in Reaches 2B and 3	Protection
Spring-run Chinook Salmon adults	Federal and State - threatened	2017 (3 years from first juvenile release, trap and haul)	ESA 10j / 4d rule and DFW's concurrence
Spring-run Chinook Salmon juveniles	Federal and State - threatened	2016 (reintroduced in Reach 5 in Spring 2014)	ESA 10j / 4d rule and DFW's concurrence
Central Valley Steelhead	Federal - threatened	2022 (with completion of the Arroyo Project) due to SJRRP Steelhead Monitoring effort and requirements in NMFS BO for Arroyo Project; Earlier in flood years	Arroyo Canal Screen (2022); Mendota Pool Bypass (2020); Mendota Pool Fish Screen (est. 2024 for flood delivery protection)
Green Sturgeon	Federal - threatened	2022 (after Passage at Key Barriers to Migration and Sack Dam Project are complete, cannot jump - SJRRP will design for passage in NW and W year types only)	Stop logs in Sack Dam gate bays; Arroyo Canal Screen (2022); Mendota Pool Bypass (2020); Mendota Pool Fish Screen (est. 2024 for flood delivery protection)
Pacific Lamprey adults	Federal Species of Special Concern (not listed)	2022 (after Passage at Key Barriers to Migration and Sack Dam Project are complete, cannot jump)	Stop logs in Sack Dam gate bays; Arroyo Canal Screen (2022); Mendota Pool Bypass (2020); Mendota Pool Fish Screen (est. 2024 for flood delivery protection)
Pacific Lamprey Ammocoetes (juveniles)	Federal Species of Special Concern (not listed)	2028 (after Passage at Key Barriers to Migration and Sack Dam Project are complete, cannot jump, and juveniles would move out 5-8 years after adults spawn)	Arroyo Canal Screen (2022); Mendota Pool Bypass (2020); Mendota Pool Fish Screen (est. 2024 for flood delivery protection)
Kern Brook Lamprey	State Species of Special Concern (not listed)	Never (not migratory, Reach 1 only)	N/A

Recirculation Costs and Approach

18

Recirculation

- 1 meeting to date
- Outcomes:
  - Better basis for recirculation costs
- Status:
  - 2/4: Information on Reclamation recirculation approach and DWR conveyance costs
  - 2/6: Meeting to discuss info provided, what needed for framework, and small group schedule

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Construction Approach, Stranded Assets

20

Program Management Transparency Improvements

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PM Transparency Improvements

- 3 meetings to date
- Process:
  - Participants provided problem statements
  - Brainstormed solutions as a group
- Outcomes:
  - Program Management improvements for inclusion in the Framework
  - Framework revision "triggers" and general process
- Status:
  - 2/9: Ali to update text and send out to small group
  - 2/17: Small group comments due
  - 2/20: Ali to update text and send to large group
  - Discuss at next large group meeting

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NEXT STEPS FOR FRAMEWORK

23

Next Steps for Framework

1. Confirm we understood you at 12/19 meeting
2. Evaluate what we heard
   - Technical analysis
   - Legal / policy analysis
3. Develop response
   - Adopt request and incorporate in
   - Modify based on evaluation and try to meet intent
   - Don't incorporate and describe why
4. Report out at next meeting
   - Results of evaluations
   - Proposed changes to Framework

Reclamation will lead this effort and bring in Implementing Agencies, RA, Settling Parties and Third Parties as needed

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What We Heard at 12/19 Meeting

- Summarized and sent to large group on 2/4
- Comments due by 2/13
  - Confirm we understood
  - Clarify what we didn't have quite right
  - Confirm we are not missing things

25

Key Discussions at 12/19 Meeting

NRDC

- Implement an annual work plan with semi-annual meetings.
- Complete a Fisheries Restoration Plan by Jan. 2016.

5-year vision

- Make a decision on 4B routing and complete environmental compliance.
- Remove the Hills Ferry Barrier.
- Achieve 2,000 cfs capacity by 2019.
- Add a permanent juvenile capture facility to transport juveniles in low-flow years.

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Key Discussions at 12/19 Meeting

NRDC, con't

10-year vision

- Create additional spawning habitat.
- Restore a low flow channel in Reach 4B.
- Construct permanent barriers at Mud and Salt sloughs.

15-year vision

- Continue building 4B to increased channel capacity.
- Reach 1 gravel pit isolation projects.

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Key Discussions at 12/19 Meeting

Friant

- Include Recapture and Recirculation (R&R) costs in the Framework.
- Use Unreleased Restoration Flows (URFs) to balance the Framework budget, including R&R costs.
- Indefinitely defer channel capacities, levee stability, and seepage actions above 2,500 cfs.
- Identify a plan for R&R before water is released, especially if there is limited biological benefit of flows.

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Key Discussions at 12/19 Meeting

Exchange Contractors

- Complete Phase I projects before Restoration Flows are released.
- No stranded assets. Build one project at a time to ensure funding is sufficient to complete each project.
- Avoid temporary solutions.
- Main concerns are seepage mitigation, ESA protection, and levee stability.

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What we need from you

- Technical assistance
  - Spreadsheet file
  - Answer periodic questions

30

Schedule

1. Confirm we understood you at 12/19 meeting
   - Comments due 2/13
2. Evaluate what we heard and develop responses
   - About a month
3. Report out at next meeting
   - Need to schedule
   - Propose 3/11 or 3/12

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ACTION ITEMS

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SAN JOAQUIN RIVER RESTORATION PROGRAM

Meeting Summary
SJRRP Framework for Implementation Meeting #4
Thursday, February 5, 2015, 9 a.m. – 10:30 a.m.

Conference Call and SJRRP Meeting Room, Sacramento CA
DRAFT

Attendees:

Delyssa Bloxson, Reclamation
Bob Clarke, U.S. Fish and Wildlife Service
Michael Finnegan, Consultant to Reclamation
Ali Forsythe, Reclamation
Katrina Harrison, Reclamation
Erika Kegel, Reclamation
John Netto, U.S. Fish and Wildlife Service
Adam Nickels, Reclamation
Karl Stromayer, U.S. Fish and Wildlife Service
Emily Thomas, Reclamation

Phone:

Hal Candee, Altshuler Berza
Kim Forrest, U.S. Fish and Wildlife Service
Gerald Hatler, California Department of Fish and Wildlife
Rene Henery, Trout Unlimited
Chris Hildebrandt, Ducks Unlimited
Randy Houk, Columbia Canal Company
Chase Hurley, San Luis Canal Company
Ron Jacobsma, Friant Water Authority
Bob Johnson, Consultant to Reclamation
Tom Johnson, Restoration Administrator
Tom Keene, Lower San Joaquin Levee District
Bill Luce, Friant Water Authority / Bill Luce Consulting
Mari Martin, Resources Management Coalition
Palmer McCoy, San Luis Canal Company
Erica Meyers, California Department of Fish and Wildlife
Cannon Michael, Landowner and RMC
Doug Obegi, NRDC
Steve Ottemoeller, Friant Water Authority
Rhonda Reed, NMFS
Julie Rentner, River Partners
Paul Romero, California Department of Water Resources
Don Portz, Reclamation
Monty Schmitt, NRDC
Erin Strange, NMFS
Bill Swanson, MWH
Becky Victorine, Reclamation
Doug Welch, Chowchilla WD

Next Meeting

March 11, 2015 9:00 am – 4:00 pm PST: Turlock *(tentative)*

Discuss small group results, and Reclamation's responses to stakeholder presentation points from 12/19 Meeting.

Meeting Introduction

The group reviewed the meeting agenda.

Unreleased Restoration Flows

An overview of the Unreleased Restoration Flow (URF) group's progress was presented. The group has focused on quantifying the range of URFs and potential funding generated from URFs. They met once and will meet again on February 19, 2015. The group will produce a URF memo documenting their results by the end of February.

It was clarified that the low end URF analysis assumes that all flows are redistributed within the flexible flow period, and this did not redistribute these flows outside the flexible flow period.

The group discussed the possibility that Friant may not be able to receive URFs during wet years, where their canals were already at capacity. This was not considered as part of the analysis. There was discussion that the flows could be held in Millerton until Friant was able to take the water. This was a high level analysis. The group recognizes that there is uncertainty around channel capacity, URF sales, and management of flows; however, the purpose of the group was to provide an estimate of available URFs.

ESA Small Group

The status of the Endangered Species Act (ESA) small group was presented. The group is identifying the endangered species that may be present in the river once it is connected, as well as the timing of when these species may be present in Reaches 2B and 3. The group has had three meetings, and has a draft appendix for the Framework in review. This appendix will be updated and distributed to the larger group by the next Framework meeting.

The group compared the timeline of when the identified listed fish migrate, the schedule of removing barriers to fish migration, the construction timeline of San Joaquin River Restoration Program (Program) projects, and based on the preliminary information, identified no remaining potential ESA liabilities with steelhead and only two years of remaining potential ESA liability for sturgeon with the given construction schedule, physical barriers, and 10(j) / 4(d) rule.

It was clarified that the improvements to the Eastside Bypass by 2022 would only include improvements to structures that would allow for fish passage. Currently, three structures are identified as needing improvements to allow fish to pass, and there are multiple alternatives available for each structure.

The group also discussed environmental challenges to fish passage, such as the water temperatures in the wide channel of the Eastside Bypass. An attendee was concerned about water depth for sturgeon as well as Eastside Bypass temperatures and raised a concern about the biological benefit of releasing flows and fish into the bypass with adverse non-structural passage conditions. The United States Geological Survey (USGS) is preparing a report on non-structural limitations to fish passage, and Reclamation has received a draft report, but nothing has been finalized.

A participant asked why green sturgeon were only expected in the lower river, even though previous modeling of the river suggested that Reach 1 was habitat for green sturgeon. A member of the group replied that there had been no historical accounts of green sturgeon at the base of Friant Dam. Expectations for green sturgeon have been changing – first there was no expectation they would be in the San Joaquin River, but now white sturgeon have been caught at the Hills Ferry Barrier, and there have been accounts of green sturgeon further up the San Joaquin River. There was discussion of which species should be considered in fish passage design. The topic of fish passage design criteria is beyond the current scope of the ESA small group. The graphic in the presentation should be changed to show green sturgeon potentially expected in the entire river.

The group discussed that wherever these ESA protected species show up, there could be issues. Fish can become impinged on control structures. The Exchange Contractors expressed concern that they have five to six years without improvements where other non-listed fish can get into their facilities. It was clarified that the ESA allows more flexibility in dealing with interim

challenges for threatened species, and that the Program and Exchange Contractors have administrative options open to them.

Recirculation Costs and Approach

The progress of the Recirculation Costs and Approach group was presented. The purpose of the group was to investigate the costs of Recapture and Recirculation activities and operations and maintenance, which are not currently included in the Framework. The group has met once and will meet again on February 6, 2015.

Construction Approach and Stranded Assets

The progress of the Construction Approach and Stranded Assets group was presented. The group will meet for the first time on February 6, 2015, and will have more to present at the next Framework meeting.

Program Management and Transparency

The progress of the Program Management and Transparency group was presented. The group is looking at improvements to Program structure and transparency. They have had three meetings, during which they have identified problem statements and brainstormed solutions as a group. The group has also discussed what would trigger a rewrite or addendum to the Framework. The outcomes of the group will include commitments to program management improvements that will be included in the Framework, and text regarding the Framework revision process.

Next Steps for Framework

The next steps for the Framework were presented. The following schedule was outlined:

1. Confirm Reclamation understood suggestions from 12/19 meeting
2. Evaluate what was heard, perform a technical and/or legal/policy analysis
3. Develop a response
4. Report out at the next meeting

Reclamation will lead this effort, and will bring in others as needed.

Reclamation provided a summary of what they heard from each of the Settling Parties and Third Parties. Reclamation would like the parties to review this list, provide the Framework Tool spreadsheet files used to compile their recommendations, and answer periodic questions from Reclamation. Reclamation will take approximately one month to review and respond to the list of the Parties' requests, and will present their response at the next Framework meeting.

Small groups should develop a written record of their process and report the results somewhere in the Framework document. Each group can determine the most appropriate deliverable for their group.

Meeting Adjourned

10:30 a.m. PST

Agenda– Framework for Implementation

San Joaquin River Restoration Program

Date: *Wednesday, March 11, 2015, 9a.m. – 4p.m.*
Location: *Stanislaus Agricultural Center, 3800 Cornucopia Way, Modesto*

Purpose:

Updates from the Small Groups and Reclamation's responses to December 19th suggestions for development of the Framework.

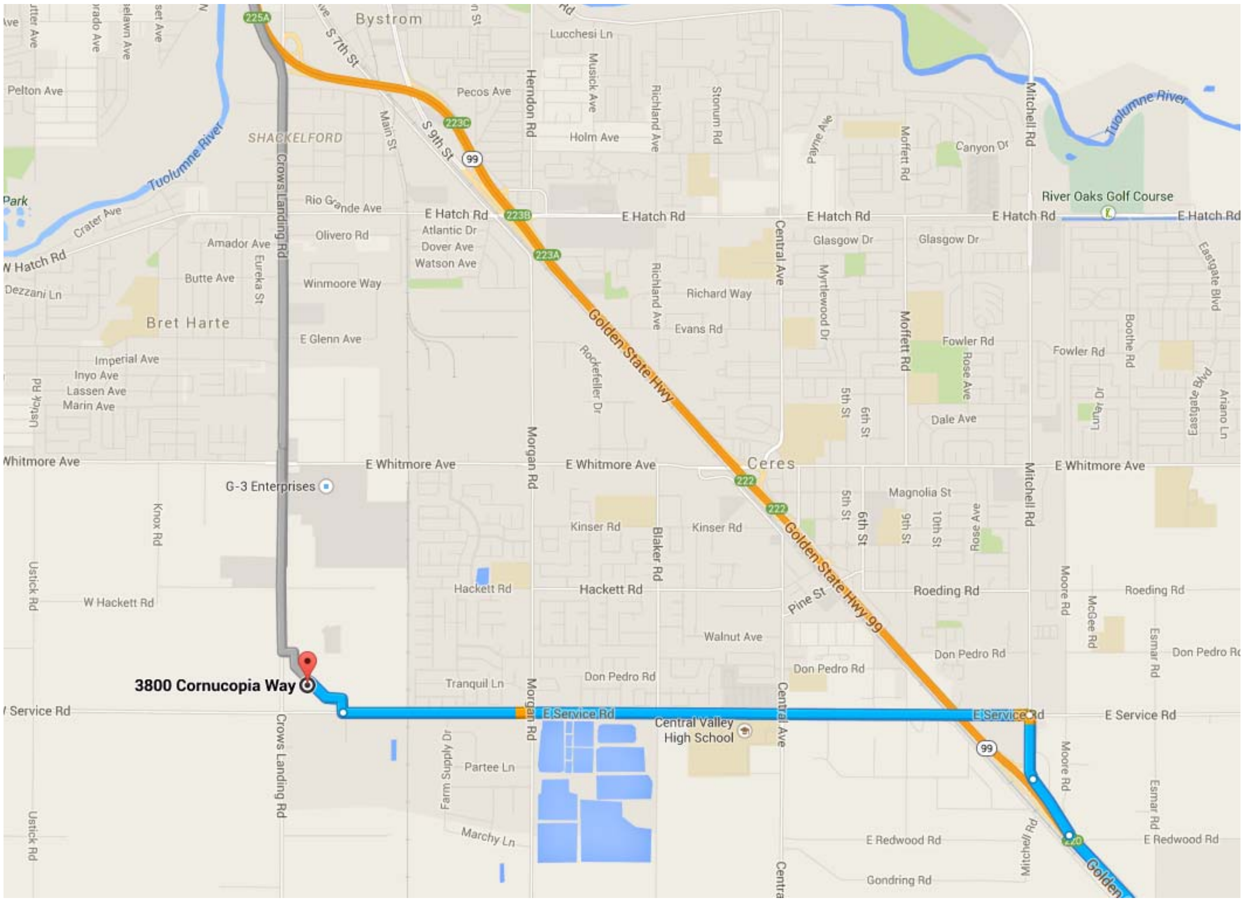
Schedule:

9 a.m.	–	Introductions	Bob Johnson
9:15	–	Unreleased Restoration Flows Smallgroup Update	Tom Johnson
9:45	–	ESA Smallgroup Update	Alicia Forsythe
10:15	–	Recirculation Costs Smallgroup Update	Erika Kegel
10:45	–	Stranded Assets Smallgroup Update	Katrina Harrison
11:15	–	Program Representation Smallgroup Update	Alicia Forsythe
11:45	–	Lunch	
1 p.m.	–	Response to December 19th Suggestions	Ali Forsythe
3:00	–	Discussion	
3:30	–	Next Steps for Framework	
4:00	–	Adjourn	

Directions to the Ag Center:

From Sacramento: Take Highway 99 South. Exit onto Crows Landing Road. Go about 2.3 miles. Turn Left onto Cornucopia Way.

From Los Banos or Fresno: Take Highway 99 North. Exit onto Mitchell Road. Turn Left onto East Service Road. Turn Right onto Cornucopia Way.



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Crows Landing Rd
E Service Rd
Central Valley High School
Golden State Hwy 99
Ceres
E Hatch Rd
E Whitmore Ave
Hackett Rd
Mitchell Rd
Morgan Rd
Central Ave
Tuolumne River
River Oaks Golf Course
Bret Harte
Shackelford
Bystrom
G-3 Enterprises
Don Pedro Rd
Roeding Rd
E Redwood Rd

Framework for Implementation

Meeting #5
Stanislaus County Agricultural Center
Modesto, CA, Rooms D and E
March 11, 2015

1

Agenda

9 AM	Introductions
9:15	Small Group Updates
9:15	- Unreleased Restoration Flows
9:45	- ESA
10:15	- Recirculation Costs
10:45	- Stranded Assets
11:15	- Program Representation
11:30	- New Funding Small Group?
11:45	Lunch
1:00 PM	Response to December 19th Presentations
3:00	Discussion
3:30	Next Steps for Framework
4:00	Adjourn

2

Desired Outcomes

- Understanding, trust & direct communication
- Common path forward for Program
- Implementing Agency roles and responsibilities identified
- Realistic SJRRP funding and schedule
- Measurable success

3

Purpose of Today's Meeting

- Small Groups will present on their findings
- Reclamation will respond to suggestions of how participants would implement the SJRRP from the December 19th Meeting

4

Ground Rules / Commitments to Others for Todays Meeting

- Respect the speaker and the other participants.
- Limit discussions to the things Reclamation can reasonably change (i.e., what is in "scope").
- Exploratory and understanding questions are encouraged.
- Be committed to the process and working through concerns as a group
- Give the process an opportunity to succeed - refrain from elevating issues to Implementing Agency management or Congressional offices

5

INTRODUCTIONS

6

Introductions – Meeting Team

- Bob Johnson – Leading the Meeting
- Mike Finnegan – Independent Advisor
- Emily Thomas – Taking notes, writing "bin" items
- Margaret Gidding – Assisting meeting team as needed

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UPDATES FROM SMALL GROUPS

8

UNRELEASED RESTORATION FLOWS

9

Purpose

- Refine Unreleased Restoration Flow volumes
  - Based on updated capacity schedule
  - Bracket volumes, identify reasonable assumption
- Define Unreleased Restoration Flow $$
  - Several stakeholders identified URFs as a possible funding stream on 12/19/2014

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Channel Capacity Schedule

Year	Reach 2B capacity	Levee Capacity Maximum in Reaches 2A through 5	Groundwater Seepage Maximum Release (cfs)	A scenarios: Friant Dam Maximum Release (cfs)	Maximum flow through SJRRP Area (cfs)	B Scenarios: Flow at Friant for Max flow through SJRRP area (cfs)	Constraint on Maximum Flow
2015	1,120	370	70	1,490	70	375	Groundwater seepage
2016	1,120	370	300	1,490	300	600	Groundwater seepage
2017	1,120	370	500	1,490	370	700	2A-5 Levees
2018	1,120	370	1,300	1,490	370	700	2A-5 Levees
2019	1,120	370	1,300	1,490	370	700	2A-5 Levees
2020	1,120	1,300	1,300	1,490	1,120	1,490	2B Levees
2021	1,120	1,300	1,300	1,490	1,120	1,490	2B Levees
2022	1,120	1,300	2,500	1,490	1,120	1,490	2B Levees
2023	1,120	1,300	2,500	1,490	1,120	1,490	2B Levees
2024	1,120	1,300	2,500	1,490	1,120	1,490	2B Levees
2025	4,500	2,500	2,500	2,725	2,500	2,725	2A-5 Levees
2026	4,500	2,500	2,500	2,725	2,500	2,725	2A-5 Levees
2027	4,500	2,500	2,500	2,725	2,500	2,725	2A-5 Levees
2028	4,500	2,500	2,500	2,725	2,500	2,725	2A-5 Levees
2029	4,500	2,500	2,500	2,725	2,500	2,725	2A-5 Levees
2030	4,500	4,500	4,500	4,500	4,500	4,500	None

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URFs by Scenario

	1490 cfs			2725 cfs		
YearType	ExB No Rip (af)	Exhibit B (af)	Rescheduled (af)	ExB No Rip (af)	Exhibit B (af)	Rescheduled (af)
Wet	225,889	165,536	125,959	174,200	55,047	0
Normal-Wet	86,293	86,293	0	24,156	24,156	0
Normal-Dry	20,275	20,275	0	0	0	0
Dry	317	317	0	0	0	0
Critical High	317	317	0	0	0	0
Critical Low	0	0	0	0	0	0
Average	77,208	65,138	25,192	42,087	18,256	0

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URFs over Time

Year	Wet (Acre-Feet)	Normal-Wet (Acre-Feet)	Normal-Dry (Acre-Feet)	Dry (Acre-Feet)	Critical High (Acre-Feet)	Critical Low (Acre-Feet)	Average (Acre-Feet)
2015	0	0	53,095	26,117	18,992	0	41,212
2016	202,613	84,698	41,512	17,197	14,281	0	81,537
2017	199,284	78,848	36,996	14,179	12,694	0	77,245
2018	199,284	78,848	36,996	14,179	12,694	0	77,245
2019	199,284	78,848	36,996	14,179	12,694	0	77,245
2020	175,924	43,146	10,138	159	159	0	51,200
2021	175,924	43,146	10,138	159	159	0	51,200
2022	175,924	43,146	10,138	159	159	0	51,200
2023	175,924	43,146	10,138	159	159	0	51,200
2024	175,924	43,146	10,138	159	159	0	51,200
2025	87,100	12,078	0	0	0	0	21,043
2026	87,100	12,078	0	0	0	0	21,043
2027	87,100	12,078	0	0	0	0	21,043
2028	87,100	12,078	0	0	0	0	21,043
2029	87,100	12,078	0	0	0	0	21,043
2030	0	0	0	0	0	0	0
TOTAL	2,115,588	597,362	256,283	86,645	72,149	0	715,699

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Pricing Schedule

	Contract Rate Multiplier	Price per AF
Wet	2	$66.34
Normal-Wet	3	$99.51
Normal-Dry	5	$165.85
Dry	8	$265.36
Critical High	12	$398.04
Critical Low	16	$530.72

- Based on Class 1 Contract Rate of $33.17 per acre-foot

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Fund Generation

	1490 cfs			2725 cfs		
YearType	ExB No Rip ($)	Exhibit B ($)	Rescheduled ($)	ExB No Rip ($)	Exhibit B ($)	Rescheduled ($)
Wet	$14,985,488	$10,981,662	$8,356,130	$11,556,445	$3,651,814	$0
Normal-Wet	$8,586,969	$8,586,969	$0	$2,403,727	$2,403,727	$0
Normal-Dry	$3,362,830	$3,362,830	$0	$0	$0	$0
Dry	$84,213	$84,213	$0	$0	$0	$0
Critical High	$126,320	$126,320	$0	$0	$0	$0
Critical Low	$0	$0	$0	$0	$0	$0
Average	**$6,599,722**	**$5,798,957**	**$1,671,226**	**$3,032,407**	**$1,451,481**	**$0**

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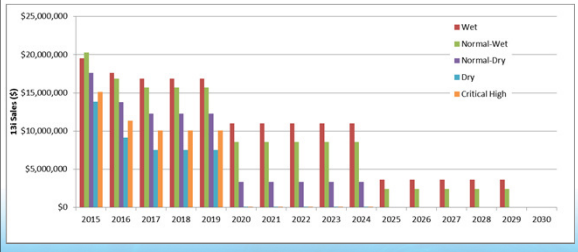
$ for Downstream Constraints



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URF Funds Generated

Year	Wet (Acre-Feet)	Normal-Wet (Acre-Feet)	Normal-Dry (Acre-Feet)	Dry (Acre-Feet)	Critical High (Acre-Feet)	Critical Low (Acre-Feet)	Average (Acre-Feet)
2015	$0	$0	$8,806,333	$6,930,533	$7,559,470	$0	7,967,717
2016	$13,441,379	$8,428,311	$6,885,209	$4,563,345	$5,684,406	$0	$8,194,210
2017	$13,220,522	$7,846,150	$6,136,150	$3,762,552	$5,052,805	$0	$7,605,289
2018	$13,220,522	$7,846,150	$6,136,150	$3,762,552	$5,052,805	$0	$7,605,289
2019	$13,220,522	$7,846,150	$6,136,150	$3,762,552	$5,052,805	$0	$7,605,289
2020	$11,670,809	$4,293,484	$1,681,415	$42,107	$63,160	$0	$4,135,474
2021	$11,670,809	$4,293,484	$1,681,415	$42,107	$63,160	$0	$4,135,474
2022	$11,670,809	$4,293,484	$1,681,415	$42,107	$63,160	$0	$4,135,474
2023	$11,670,809	$4,293,484	$1,681,415	$42,107	$63,160	$0	$4,135,474
2024	$11,670,809	$4,293,484	$1,681,415	$42,107	$63,160	$0	$4,135,474
2025	$5,778,222	$1,201,864	$0	$0	$0	$0	$1,516,204
2026	$5,778,222	$1,201,864	$0	$0	$0	$0	$1,516,204
2027	$5,778,222	$1,201,864	$0	$0	$0	$0	$1,516,204
2028	$5,778,222	$1,201,864	$0	$0	$0	$0	$1,516,204
2029	$5,778,222	$1,201,864	$0	$0	$0	$0	$1,516,204
2030	$0	$0	$0	$0	$0	$0	$0
TOTAL	$140,348,099	$59,443,501	$42,507,065	$22,992,068	$28,718,093	$0	$67,236,182

Conclusions

- Can only get above 100,000 AF in early Wet years
- These funds - ~$67 million - will be added to the Framework funding assumptions

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ENDANGERED SPECIES ACT CONCERNS

19

Purpose

- Identify ESA liabilities
- Discuss solutions
- SJRRP Requirements versus Other's Actions

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Listed Fish Species

Species	Migration Period	Lifestage and Direction	Reaches	Current Presence	Federal and State ESA Listing
CV Spring-run Chinook Salmon adults	March - May	Upstream	All	Not observed	Federal and State - threatened
CV Spring-run Chinook Salmon juveniles	November - May	Downstream	All	Released in Reach 5 in 2014 and 2015	Federal and State - threatened
California Central Valley Steelhead	October - March	Adults US & DS, Juveniles DS	All	Not observed	Federal - threatened
Green Sturgeon	February - July	Adults US & DS, Juveniles DS	All	Not observed	Federal - threatened
Pacific Lamprey adults	March - June (primary)	Upstream	All	Not observed	Federal Species of Special Concern (not listed)
Pacific Lamprey Ammocoetes (juveniles)	December - April (primarily)	Downstream	All	Not observed	Federal Species of Special Concern (not listed)
Kern Brook Lamprey	N/A	N/A	1A	Observed in Reach 1A	State Species of Special Concern (not listed)

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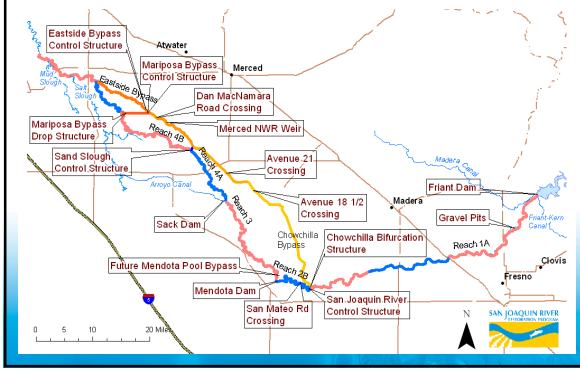
SJRRP Area Structures



Fish Species and Timing

Species	Listing	Earliest Presence in Reaches 2B and 3	SJRRP Project that Reduces the Chance for Take
Central Valley Spring-run Chinook Salmon adults	Federal and State - threatened	2016 (3 years from first juvenile release, trap and haul)	Experimental Population, ESA 10(j) and 4(d) rule package, and DFW's concurrence
Central Valley Spring-run Chinook Salmon juveniles	Federal and State - threatened	2016 (released in Reach 5 in Spring 2014/2015, could be released in Reach 1 in 2016, depending on flow)	Experimental Population, ESA 10(j) and 4(d) rule package, and DFW's concurrence
California Central Valley Steelhead	Federal - threatened	2022; Earlier in flood years	Steelhead Monitoring Plan and Arroyo Canal construction commitments (2012-2022); Mendota Pool Bypass completed in 2020; Arroyo Canal Fish Screen completed in 2022
Green Sturgeon	Federal - threatened	2020; Earlier in flood years	Eastside Bypass Control Structure blocks passage until 2020; Mendota Pool Bypass completed in 2020; Arroyo Canal Fish Screen completed in 2022
Pacific Lamprey adults	Federal Species of Special Concern (not listed)	2020; Earlier in flood years	Eastside Bypass Control Structure blocks passage until 2020; Mendota Pool Bypass completed in 2020; Arroyo Canal Fish Screen completed in 2022
Pacific Lamprey Ammocoetes (juveniles)	Federal Species of Special Concern (not listed)	2028; Earlier in flood years. Juveniles would move out 5-8 years after adults spawn.	Mendota Pool Bypass completed in 2020; Arroyo Canal Fish Screen completed in 2022
Kern Brook Lamprey	State Species of Special Concern (not listed)	Never (not migratory, expected to occur in Reach 1 only)	Not applicable

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Timeline by Species - Steelhead

- Steelhead: Can Jump
- Blocked by nets from the Steelhead Monitoring Plan (Jan-Mar) and Hills Ferry Fish Barrier (Oct-Dec) until Compact Bypass and Arroyo Canal Fish Screen are complete

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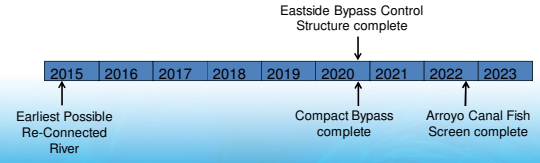
Timeline by Species - Sturgeon

- Sturgeon: Cannot Jump
- Blocked by Eastside Bypass Control Structure until 2020
- 2 years of potential liability



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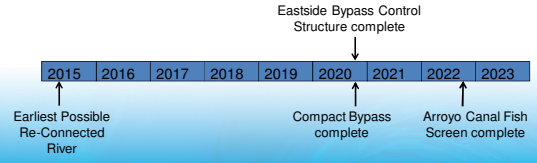
Timeline by Species - Lamprey

- Lamprey: Cannot jump, can "climb"
- Blocked by Eastside Bypass Control Structure until 2020
- Not Listed – no liability at this time



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Settlement Timeline

4 years of liability

- Public Law 111-11 10004.(h)(4): "If third parties … are required to install fish screens… due to Interim Flows to comply with the ESA… Secretary shall bear the cost..."
- Only if third parties are required to screen by NMFS. No advance protections.
- No requirements were made in 2010 or 2011.

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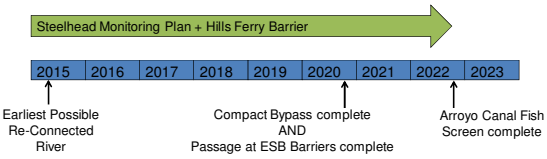
Framework Timeline



- 2 years of liability for sturgeon and lamprey (not listed) only
- Less liability under the Framework than anticipated in the Settlement
- PL 111-11 requirements apply only to Interim Flows, which are complete

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Options for SLCC

- 2 years of liability for sturgeon
- Few steelhead could sneak through nets
- Possible Actions:
  - Stop logs in the Sack Dam gate bays for sturgeon
  - 4(d) water diversion screening rule for steelhead
- Not the SJRRP's responsibility

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Mendota Pool

- Potential continued liability for sturgeon and steelhead into the future when:
  - Flood flows are entering the pool
  - Deliveries are being made via the San Joaquin River under the Exchange Contract
- Probability is low, but its possible
- Would exist regardless of the SJRRP
- Not the SJRRP's responsibility

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Administrative Options

- Habitat Conservation Planning
- Safe Harbor
- Salmonid 4(d) water diversion screening
  - Steelhead
  - Chinook salmon
- Section 7 (requires Federal nexus)

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RECIRCULATION COSTS

32

Purpose

- Discuss recirculation options
- Identify recirculation costs
- Determine responsibilities

33

Recirculation Options

Recirculation is only one tool to achieve the Water Management Goal:

- recirculation, recapture, *reuse*, *exchange* or *transfer*…
- Make water available…at the total cost of $10.00 per acre foot
- Settlement Act Part III projects:
  - FKC/MC capacity restoration
  - FKC reverse-flow pump-back facilities
  - Local groundwater banking and recharge facilities

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Recirculation Costs

- Program costs
  - Agreements, permits, compliance
  - Opportunities and facilities
- Conveyance and O&M costs
  - Additional costs of routing water back to Friant Service area.

35

R&R in Framework

$500k/yr for federal costs of the following actions:

- permits and agreements for Delta recapture and conveyance through the CA Aqueduct, CVC, etc.
- Recapture & Recirculation Plan
- Recirculation EIS/R, and compliance for all applicable federal and state laws
- Investment Strategy Report
- post-mortem reviews and implement recommended improvements
- Assist opportunities and projects that improve recirculation (Investment Strategy)

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STRANDED ASSETS

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Purpose

- Inform about Reclamation's construction funding processes
- Avoid stranded assets

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Federal Budget Process

- Takes 2.5 years
- Goal is thoughtful funding decisions
- Discretionary funds: annual federal appropriations
- Mandatory funds: San Joaquin River Restoration Fund

Federal Budget Process

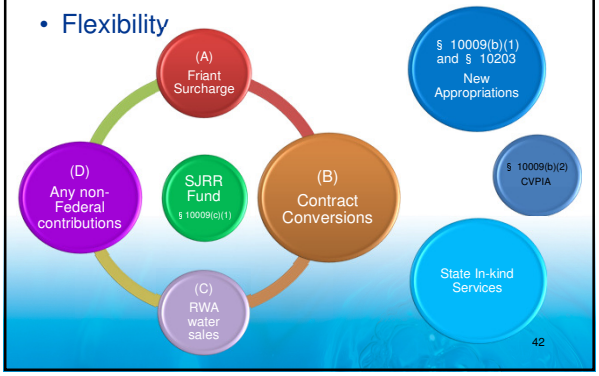
- SJRRP makes a request 2.5 years in advance
- Adjusted by Region, Commissioner, Secretary, OMB
- February 1: President's budget submitted
- Congressional budget committees
- October 1: signed, Continuing Resolutions, or government shutdowns

Federal Budget Process

- Reclamation can but dislikes carrying over discretionary funds between fiscal years
- Obligations: hold funds for a signed contract
- Expenditures: funds actually spent to pay invoices
- SJRRP is internally competitive in getting additional funds internally at the end of the fiscal year

SJRRP Funding

- Flexibility



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Funding Sources Overview

Source	Amount
Friant Surcharge (average collected)	$5.6 million/year
Recovered Water Account Receipts (average collected)	$0.8 million/year
Unreleased Restoration Flows sales (est.)	$61 million total
Sales of Other Water and Property	unknown
Friant Capital Repayment (est. collected)	$217 million
Non-Federal Contributions	unknown
CVPIA Restoration Fund (maximum)	$2 million/year
New Federal Appropriations (Part III)	$50 million
New Federal Appropriations (maximum)	$250 million
State Funding (stated commitment)	$200 million

Deposited into the San Joaquin River Restoration Fund

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Collections and Funding Available to Date (in thousands)

	Prior FYs	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	Total
Friant Capital Repayment	$0	$1,219	$192,500	$22,405	$958	$0		**$217,082**
Friant Surcharge	$0	$10,804	$7,952	$6,358	$4,305	$1,235		**$30,655**
Water and Land Sales	$0	$0	$1,449	$2,016	$480	$2,681		**$6,626**
CVPIA	$14,500	$1,000	$1,500	$2,000	$2,000	$2,000		**$23,000**
New Appropriations	$0	$5,020	$5,016	$8,892	$15,530	$26,000	$34,380	**$94,838**
Total	**$14,500**	**$18,044**	**$208,417**	**$41,671**	**$23,273**	**$31,916**		**$372,201**

- FY 10 and FY 13 are actual receipts.
- FY 14 receipts are actuals as of Sept 2014.
- FY 15 appropriations include $2.38 million drought money.
- Only $88M of the Friant Surcharge and Recovered Water Account funds can be spent without further appropriation.

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Funding Challenges with Federal Appropriations

- Limitations on expending $250M in appropriated dollars
  - Can only expend in amounts equal to the sum of: (1) Friant Surcharge; (2) non-federal contributions; (3) in-kind contributions; and (4) non-federal payments to implement Settlement or Part I
  - With slower ramp up on Program, State not spending as quickly as anticipated
    - In-kind contributions lower than expected
  - Likely may not be able to use all appropriated funds starting in FY 17
- Will exceed $250M in appropriated funding needs around FY 2021

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Federal Appropriations

- We have $50 million for all Part III projects
- $10 million has been obligated so far
- $250 million for the rest of the SJRRP
- We have received $92.45 million to date (excluding drought funds and others)
- About $160 million left to appropriate

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SJRR Fund

- Expended $58 million of the SJRR Fund
- Obligated $74 million of the SJRR Fund
- ~$29 million of the Fund available to spend over the next few years (remaining of the $88 million)

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Funding to 2020

	2015	2016	2017	2018	2019	2020
Total Estimated Funding Need	$70,430	$68,068	$66,766	$60,242	$65,347	$72,436
Friant Surcharge						$28,000
RWA Receipts						$3,400
Unreleased Restoration Flow Sales						$31,048
Friant Capital Repayment (minus Fund expenditures to date)	$29,317					$129,082
CVPIA	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000
State Funding	$21,761	$8,887	$11,254	$9,422	$18,051	$8,508
Deficit	-$17,028	$40,153	$53,513	$48,820	$45,295	-$84,907
New Federal Appropriations	$34,380	$40,153	$53,513	$42,246	$0	$0

- In 2020, we get access to the SJRR Fund
- If we hit appropriations limit pre-2020, can catch up in 2020

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Funding after 2020

- If no changes in authorization for appropriations:
  - May start to run out of SJRR Fund in 2022
  - Relocations and land acquisition will be done but cannot construct Reach 2B levees
  - Just baseline activities (WM, Flows, commitments, Admin, Fish Reintro) from then on

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Progress when Funds Run Out

- Compact Bypass complete
- Arroyo Canal and Sack Dam complete
- Friant Kern Canal complete
- Madera Canal complete
- Seepage projects to 2,500 cfs complete

- Will not do Reach 2B relocation and land acquisition unless $250 million appropriations cap and state "cost share" is lifted

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Conclusions

- Construction funding is a challenge
- SJRRP has scheduled projects and project components so delays are not catastrophic
- The SJRRP will have enough funds for Friant-Kern Canal, Madera Canal, Compact Bypass, Arroyo Canal and Sack Dam, and seepage to 2,500 cfs
  - Assuming federal appropriations occur
- Meeting the Settlement requirements **a** lift of our appropriations cap and state "cost share"

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Conclusions

- Reclamation will update Framework document to describe construction sequencing for near-term projects
- Discuss operations – sequencing has been done to maintain normal operations even if project components are delayed

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PROGRAM REPRESENTATION

53

Purpose

- Identify SJRRP program management challenges
- Brainstorm additional communication or coordination efforts to solve

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Program Improvements

- Schedule
  - Master SJRRP Schedule
  - Updated quarterly
  - Quarterly briefings
- Budget
  - SJRRP budget table in Annual Work Plan
  - Updated quarterly
  - Quarterly briefings

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Program Improvements

- Staffing
  - Agencies are under staffed
  - Agencies to develop Org Charts and have one POC for each project
  - Briefings at quarterly meetings on hiring
- Decision Processes
  - Implementing agencies to brainstorm and report out at quarterly meetings

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NEW FUNDING SMALLGROUP

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Smallgroup Purpose

- Brainstorm and discuss alternate funding sources for the SJRRP other than those discussed in the Legislation and State funding committment
- Internal to Reclamation
- External to Reclamation
- Outcome: Framework Appendix

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RESPONSE TO DECEMBER 19TH PRESENTATIONS

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NRDC

	Comment	Response
1.	Joint funding plan between State and Federal agencies	The last paragraph in Section 2.1 Cost Considerations (p 2-3) will be revised to require the Program monitor the ratio of Federal and State expenditures.
2.	Settling parties and Third parties ask for funds together	Please do.
3.	Implement an Annual Work Plan	A revision to the second paragraph of Section 2.0 Vision Approach (p 2-1) will clearly articulate that an annual work plan will be developed and two semi-annual meetings will be held to review progress.

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NRDC

	Comment	Response
4.	Revise the reintroduction implementation chapter	This will occur after #5 is complete but we may find that #5 fits the needs and no changes are needed to the Framework
5.	Complete a Fisheries Restoration Plan by Jan. 2016	USFWS is taking the lead on this project

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NRDC #5. Fisheries Reintroduction Plan - Elements of Plan

- Specific actions to establish self sustaining Chinook salmon populations in the Restoration Area
- Actions consistent with conditions in Restoration Area as they relate to salmon life history
- Timelines based on conditions
- Dependent on schedules described in Framework

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NRDC #5. Fisheries Reintroduction Plan - Development of Plan

- Compile information from prior planning and technical documents
- Adaptively manage reintroduction process
  - Will include monitoring to inform progress and future actions
- Need to identify and resolve outstanding issues

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NRDC #5. Fisheries Reintroduction Plan - Resolving Issues

- Formal Process
  - Series of 3 meetings in 2015
  - Include Agencies, Settling Parties and Third Parties
- Identify Key issues
- Identify path to resolving issues
- The Plan will include pathway and timelines for any unresolved issues or pending decisions

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NRDC

	Comment	Response
6.	No changes to Reclamation's major 5-year vision projects	No action necessary
7.	Identify and implement fisheries management actions to reach population targets	USFWS will identify these actions in the Fisheries Reintroduction Plan
8.	Make a decision on flows in Reach 4B, and complete Environmental Permitting in the 5 year vision	The 4B flows decision will occur in the 5 year vision with the EIS/R
9.	Renew permits for spring-run collection in 2016	This action will be added to the Framework
10.	Remove the Hills Ferry Barrier in the 5 year vision, and relocate barriers to Mud and Salt Sloughs	USFWS will determine when removal of Hills Ferry Barrier is best for salmon populations in the Fisheries Reintroduction Plan. Need to consider when we want species into construction areas.

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NRDC

	Comment	Response
11.	Achieve 2,000 cfs by 2019	We are keeping the current goal of 1,300 cfs by 2019. If the upcoming report on Eastside Bypass levee investigations, ongoing Reach 3 drilling, and ongoing subsidence investigations show minimal levee remediation needed, we will adjust the Framework to 2,000 cfs by 2019. Regardless, this will not allow 2,000 cfs through the whole SJRRP as we will still be constrained by Reach 2B levee capacity (1,120 cfs). DWR is currently evaluating whether the Compact Bypass option increases 2B capacity.

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NRDC

	Comment	Response
12.	Install a temporary fish screen at Chowchilla Bifurcation structure by March 2016	The Program expects to have the information to make this decision in 2016. If the screen is needed, installation will occur later.
13.	Add a permanent juvenile capture facility	USFWS will determine if this is the best course of action in the Fisheries Reintroduction Plan
14.	Identify and implement fisheries management actions in the 10 year vision	USFWS will identify these actions in the Fisheries Reintroduction Plan
15.	Create additional spawning habitat if there is a deficiency	The Spawning Habitat SIG has been assigned to compile data on spawning habitat and determine if there is a deficiency. Implementation would occur with Miscellaneous funds if necessary.

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NRDC

	Comment	Response
16.	Construct permanent barriers at Mud and Salt Slough in the 10 year vision	Reclamation will evaluate the need for permanent barriers at Salt and Mud Slough in the 10 year timeframe. There is uncertainty regarding whether fish will be attracted to Salt and Mud Slough when SJRRP flows through the SJR are in the thousands of cfs and much better water quality than the sloughs.
17.	Restore 475 cfs in Reach 4B1 in the 10 year vision	Restoring 475 cfs in Reach 4B1 is estimated to cost approximately $100 million dollars. Doing this in the 10 year vision breaks our funding constraints as we would need more than $50 million per year in additional appropriations. We need to decide what project to move backwards so this can happen.

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NRDC #17. Reach 4B1 - Tradeoffs

FY 2020 – FY 2024 Major Costs

- Reach 2B levees: $155 million
- Arroyo Canal and Sack Dam: $29 million
- Part III Financial Assistance: $37 million
- 2,500 cfs Seepage Projects: $74 million

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NRDC #17. Reach 4B1 - Tradeoffs

- Reclamation prioritized Reach 2B levees over Reach 4B1 in the Framework because:
  - There is capacity to release flows in the ESB so 4B1 is not needed to release flows
  - Reach 2B levees will be the chokepoint on flow releases at that time
- Reclamation prioritized Arroyo Canal and Sack Dam because:
  - Unimpeded fish passage is important so we can get out of trap and haul quickly

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NRDC #17. Reach 4B1 - Tradeoffs

- Reclamation prioritized Part III Financial Assistance because:
  - We move the Restoration and Water Management Goals forwards together
- Reclamation prioritized Seepage Projects because:
  - After 2026, 2B levees would allow 4,500 cfs through Reach 2B, getting seepage and levees to at least 2,500 cfs would allow actual attraction flows

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NRDC #17. Reach 4B1 - Tradeoffs

- Options:
  - Move Arroyo Canal and Seepage Projects back to the 2025-2030 timeframe, requiring trap and haul around Sack Dam for 5 more years
  - Move Part III and Seepage Projects back to the 2025-2030 timeframe, constraining flows to 2,000 cfs and causing WM issues
  - Move Reach 2B levees back to the 2025-2030 timeframe, constraining flows to 1,300 cfs until 2030

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NRDC

	Comment	Response
18.	No changes to Reclamation's major 15-year vision projects	No action necessary
19.	Reach 4B will continue to build out over the 15 year vision	Reach 4B is scheduled for the 15 year vision in Reclamation's version
20.	Complete Reach 1 gravel pit isolation projects with the SJR Conservancy in 15 year vision	Reclamation will opportunistically perform gravel pit isolation projects with partners through all timeframes. We are working with the SJR Conservancy on Gravel Pit 46e now.

NRDC

	Comment	Response
21.	Continue the Friant surcharge at $7 per acre-foot	We have made this change in the funding assumptions of the Framework
22.	Assume State appropriations of $20 million per year	Talking with DWR about this assumption. May not be realistic.
23.	Increase URFs to 50 TAF per year	Per the URF smallgroup analysis, URFs are 65 TAF from the present until 2024 and then 18 TAF from 2025-2029 and 0 TAF after 2030 when there is full channel capacity. We will update the channel capacity schedule and these numbers if the capacity schedule changes per our discussion today.

NRDC #23. URFs over Time

Year	Constraint (cfs)	Wet (AF)	Normal-Wet (AF)	Normal-Dry (AF)	Dry (AF)	Critical High (AF)	Critical Low (AF)	Average (AF)
2015	1,490			20,275	317	317	0	12,286
2016	1,490	165,536	86,293	20,275	317	317	0	65,138
2017	1,490	165,536	86,293	20,275	317	317	0	65,138
2018	1,490	165,536	86,293	20,275	317	317	0	65,138
2019	1,490	165,536	86,293	20,275	317	317	0	65,138
2020	1,490	165,536	86,293	20,275	317	317	0	65,138
2021	1,490	165,536	86,293	20,275	317	317	0	65,138
2022	1,490	165,536	86,293	20,275	317	317	0	65,138
2023	1,490	165,536	86,293	20,275	317	317	0	65,138
2024	1,490	165,536	86,293	20,275	317	317	0	65,138
2025	2,725	55,047	24,156	0	0	0	0	18,256
2026	2,725	55,047	24,156	0	0	0	0	18,256
2027	2,725	55,047	24,156	0	0	0	0	18,256
2028	2,725	55,047	24,156	0	0	0	0	18,256
2029	2,725	55,047	24,156	0	0	0	0	18,256
2030	4,500	0	0	0	0	0	0	0
TOTAL		1,765,059	897,411	202,751	3,174	3,174	0	689,806

Friant

	Comment	Response
1.	Include Recapture and Recirculation costs in the Framework	Considering options and purpose of the Framework. If decide to include, would be in a separate chapter.
2.	Use Unreleased Restoration Flows (URFs) as a funding mechanism	The Settlement only allows the use of URFs to "best achieve the Restoration Goal", so URF sales cannot fund Recapture and Recirculation, but could be used to fund the Restoration Goal. Additionally, flows cannot be withheld solely as a funding mechanism. The Secretary must release "as much of the Restoration Flows as possible… in light of then existing channel capacity and without delaying Phase I improvements."

Friant

	Comment	Response
3.	Reduce Recovered Water Account $10/af sales	Recent CALSIM modeling indicates a annual average "Other" supply of 68 TAF per year, which includes 215 and RWA water. Numbers reduced to 68 TAF instead of 80 TAF per year.
4.	Include a worst case funding scenario where federal approproations are $20 million per year	Reclamation will look at a worst case scenario using $30 million per year in federal appropriations (the current appropriations level) after this version of the Framework is complete.
5.	Defer channel capacities above 2,500 cfs	Reclamation will consider defering 2,500 cfs capacity until funds accumulate in the SJRR Fund as part of a low funding case scenario (#4 above).

Friant

	Comment	Response
6.	Have a plan for Recapture and Recirculation before water is released	This is not required by the Settlement, and waiting to release water is inconsistent with the Settlement. There is already a draft plan in place for Recapture and Recirculation.

Exchange Contractors

	Comment	Response
1.	The Exchange Contractor's prioritized list of Phase I projects lists Arroyo fish screen before the Mendota Pool Bypass, all other priorities are in Reclamation's order.	It will take at least a year to re-design the Sack Dam and Arroyo Canal project for subsidence. The Dam will have to be raised above the Safety of Dams heigh limit (or the Arroyo Canal headworks will need a pumping plant). Safety of Dams approval is estimated to take 2 years. Arroyo Canal cannot be moved up any further than construction starting in 2018, and that would involve having a decision from the SLCC board regarding the redesign immediately. The current construction start date of 2020 allows a few years for subsidence monitoring and SLCC decision making.

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Exchange Contractors

	Comment	Response
2.	No flows until Phase I projects are in place	The Settlement requires Reclamation to release as much of the Restoration Flows as possible, and states that Reclamation "shall consider and implement" the RA's recommendation. As we "shall implement", we have no discretion to not release flows because projects are not in place. In addition, the purpose of the Framework is to prioritize projects and identify a realistic plan for construction actions. The amount of flow released is not a subject that is necessary to address to complete the Framework.

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EC #2. Flows below Sack Dam

- The Settlement planned on a connected river for 4 years prior to Phase 1 projects being complete.

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EC #2. Flows below Sack Dam

- Paragraph 13(i): "If, for any reason, full Restoration Flows are not released in any year beginning January 1, 2014, the Secretary *shall release as much of the Restoration Flows as possible*, in consultation with the Restoration Administrator, in light of then existing channel capacity and without delaying completion of the Phase 1 improvements."
- Paragraph 18: "The Secretary *shall consider and implement* [the Restoration Administrator's] recommendations to the extent consistent with applicable law, operational criteria (including flood control, safety of dams, and operations and maintenance), and the terms of this Settlement."

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Exchange Contractors

	Comment	Response
3.	No stranded assets	Reclamation currently has enough funds to construct the Compact Bypass, Arroyo Canal, Friant-Kern and Madera Canal, and seepage projects to 2,500 cfs. Reclamation has attemped to and will continue to schedule projects and project components to avoid inoperable facilities. Reclamation will not start a project if we do not expect to get the funds to complete it. However, funding will continue to be an issue and the best way to avoid stranded assets is for the Settling and Third parties to work together and support the SJRRP such that it is a funding priority for the Administration and Congress.

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Exchange Contractors

	Comment	Response
4.	Build only one project at a time	Reclamation has done this for the Phase 1 and 2 projects. Reclamation has also prioritized flows, which requires working on seepage and levees continuously to increase capacity. Seepage and levees are geographically extensive and involve many landowners so doing them all in a couple years is impossible.

2015	2016	2017	2018-20	2021	2022-2024	2025-2029
Seepage	Friant-Kern & Madera Canal	Compact Bypass	Compact Bypass	Arroyo Canal	Reach 2B	Reach 4B
	Seepage	Seepage	Seepage	Seepage	Seepage	Seepage
	MNWR Pumps	DWR – Passage	DWR – Passage	DWR - levees	DWR - levees	DWR - levees
		DWR – levees				

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Exchange Contractors

	Comment	Response
5.	Avoid temporary solutions, only build things once	Reclamation has removed the Arroyo canal temporary barrier from the Framework.
6.	Concern about fish entering canals and ESA protections	See results from the ESA Small Group. There is less liability now than under the Settlement schedule, and solutions are available to further minimize this liability.
7.	Concern about landowner protections such as; seepage, levee construction, ESA protection, and levee stability	Reclamation agrees. Seepage and levee stability are prioritized in the Framework and move forwards together to gradually increase channel capacity over time. Reclamation will not release flows that cause groundwater levels to rise above thresholds and will install seepage projects prior to the release of flows that impact that property.

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NEXT STEPS

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Next Steps

- March 23
  - Comments due on URF, ESA, and Program Management smallgroup write-ups
- March 27
  - Finish up Recirculation Smallgroup
  - Finish up Stranded Assets Smallgroup
- March 30 to April 10
  - Review of Recirculation and Stranded Assets smallgroup write-ups by large group; comments due April 10
- By April 3
  - Have 2-3 meetings of the Funding Smallgroup
- April 3 to April 17
  - Review of Funding smallgroup write-up by large group; comments due April 17

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Next Steps

- May 1
  - Revised Framework posted to website
- May 1 to May 29
  - 30 day public comment period
  - Framework discussions at standing meetings
    - Friant Advisory Committee
    - SJR Partnership
    - RMC Meetings
- June 1 to June 30
  - Reclamation and Implementing Agencies respond to comments
- July 1: “Final” Framework

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QUESTIONS?

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SAN JOAQUIN RIVER RESTORATION PROGRAM

Meeting Summary
SJRRP Framework for Implementation Meeting #5
Wednesday, March 11, 2015, 9 a.m. – 4 p.m.

Stanislaus Agricultural Center, 3800 Cornucopia Way, Modesto CA
DRAFT

Attendees:

Tom Berliner, Duane Morris
Delyssa Bloxson, Reclamation
Gary Bobker, The Bay Institute
Hal Candee, Altshuler Berza
Bob Clarke, U.S. Fish and Wildlife Service
Michael Finnegan, Consultant to Reclamation
Ali Forsythe, Reclamation
Katrina Harrison, Reclamation
Randy Houk, Columbia Canal Company
Bob Johnson, Consultant to Reclamation
Tom Johnson, Restoration Administrator
Erika Kegel, Reclamation
Bill Luce, Friant Water Authority / Bill Luce Consulting
Mari Martin, Resources Management Coalition
Erica Meyers, California Department of Fish and Wildlife
John Netto, U.S. Fish and Wildlife Service
Adam Nickels, Reclamation
Tyler Nunes, Reclamation
Doug Obegi, NRDC
Steve Ottemoeller, Friant Water Authority
Rhonda Reed, NMFS
Paul Romero, Department of Water Resources
Monty Schmitt, NRDC
Bill Swanson, MWH
Emily Thomas, Reclamation
Liz Vasquez, Reclamation
Becky Victorine, Reclamation
Matt Wainwright, Representative for Congressman Costa
Sharon Weaver, SJR Parkway and Conservation Trust
Doug Welch, Chowchilla WD

Bin

ESA Protections for Exchange Contractors – This issue continues to be a concern despite the technical analysis and efforts of the ESA small group.

Meeting Introduction

Bob Johnson reviewed the meeting agenda and the ground rules for the meeting.

The group discussed that some parties have violated the ground rules for the Framework process by elevating issues to representatives in Washington DC. Elevating these issues is counterproductive to the Framework process, and does not give the process time to succeed. One goal of this process was to build stronger relationships between the Third Parties and the Settling Parties. This has occurred, and can still occur, but all parties need to respect the ground rules, and if necessary, inform the group if these commitments will be violated.

Updates from Small Groups

Ali Forsythe explained that the small group reports are intended to be incorporated into the Framework document. Comments on the Small Group write ups that were distributed prior to the meeting are due on March 23, 2015.

Unreleased Restoration Flows Small Group

Tom Johnson introduced the Unreleased Restoration Flows (URF) small group. The group used assumptions on channel capacity and the value of water to provide bookends on the maximum and minimum revenue expected from URF sales. A memo detailing the results of this group was

sent out on March 10, 2015. Please review this memo and contact Tom Johnson (trjllc@zetabroadband.com) or Katrina Harrison (kharrison@usbr.gov) with questions.

Katrina Harrison presented on the technical analysis done for the URF small group. The analysis determined that the revenue from URF sales could fall between $15 million to $120 million for the life of the Program, or an average of $67 million. It was noted that there are wide error bars on these values, as they are affected by hydrology and the price of water. The analysis also assumes perfect forecasting at the start of the Restoration year, which is unlikely.

ESA Small Group

Ali Forsythe introduced the Endangered Species Act (ESA) small group. The purpose of the group was to identify ESA liabilities for the Exchange Contractors, discuss solutions, and differentiate Program requirements from non-Program requirements.

The group found that, of 22 species identified by the Program, only three are listed as threatened or endangered under the ESA, one of which is spring-run Chinook, which the ESA 10(j) and 4(d) rules exist to address. The remaining two are steelhead and green sturgeon. The group then assessed when the Exchange Contractor's diversions would be vulnerable to these species, and how the new Framework schedule compared to the original schedule included in the Settlement. With the original schedule, the Exchange Contractors would have had flow connectivity and potential for the presence of these species in their facilities for four years; however, with the new schedule, the Exchange Contractors will be exposed to steelhead for zero years, and to green sturgeon for two years. The group also emphasized that the SJRRP cannot protect all diverters on the San Joaquin River from all ESA liability, as this is beyond the scope of the Settlement.

The SJRRP is not planning on constructing a fish screen at the new Mendota Pool Bifurcation Structure because flows to the Mendota Pool will be infrequent. Flood flows occur approximately in 1 of every 4.5 years, and any future Exchange Contractor deliveries to the pool would occur in the summer, which is not when fish would be migrating. The design at Mendota Pool will include the option of a fish screen, so this topic can be revisited if diversions to Mendota Pool are more frequent than anticipated.

The group discussed the Mendota Pool fish screen in greater detail. A point was raised that diversions into Mendota Pool may be more common during the first several years of the Program if recapture and recirculation at Mendota Pool occurs. The Program currently does not believe this short term need justifies the large expense of a fish screen.

It was clarified that the Program would still include the fish screen at Mendota Pool as an option in the Reach 2B environmental document, and that the design will include the ability to add in a fish screen at a later time if it is deemed necessary. The Framework is not an agency decision document, so the official decision on the inclusion of a fish screen will occur in the Reach 2B Record of Decision (ROD). The commitments of previous Regional Directors will be honored; however, Reclamation has not agreed to put a fish screen at Mendota Pool. Based on Reclamation's analysis, the fish screen does not add value to the Program.

The 10(j) rule covers the Exchange Contractor's diversions in perpetuity, so there will be no ESA consequences if Chinook salmon are harmed by otherwise lawful diversions. NMFS

considered this issue specifically, and determined that the benefit of the Restoration Program outweighed the negative consequences of take due to diversions. Some level of take is expected during flood years; however, this is balanced by the general success of outmigrating juveniles under flood conditions, so there is not expected to be a population level effect.

The group also discussed that the Exchange Contractors has less liability during flood flows regardless of the Program, and that the risk of take will increase due to the Program releasing attractant flows and creating better habitat in the river. However, these changes are the basis of the Settlement, and not a change due to the new Framework schedule. If the United States was intended to cover this additional liability, then this would have been specified in the Settlement or the Settlement Act. The Program is doing a tremendous amount along the San Joaquin River to protect Third Parties, but cannot take on every issue. Some discussion ensued, and the issue was placed in the "bin" for later discussion.

NMFS explained the Administrative Options available for dealing with ESA liability, which included Habitat Conservation Plans, Safe Harbor agreements, (d) rules, and Section 7. Reclamation would consult under Section 7, and has consulted with NMFS under Section 7 regarding the Arroyo Canal Fish Screen and Sack Dam Fish Passage Project.

Recirculation Costs and Approach Small Group

Erika Kegel presented on the progress of the Recirculation Costs and Approach group. The purpose of the group was to discuss options and costs for recirculation. In Reclamation, water costs are borne by water contractors. The cost of recirculation is an increase in costs to the water contractors that is caused by the Program.

Friant believes that recirculation is not a cost that should be borne by the Friant contractors, as the Settlement has limitations on the costs to Friant. Recirculation is a Restoration Program cost that needs to be included in the Framework, not added to the costs of the Friant contractors. There was discussion of if Friant is not willing to pay for the cost of recirculation, why would Reclamation pay this cost when less expensive options such as exchanges or transfers exist.

The group discussed where the money would come from to pay for recirculation. The group did not support taking money away from the Restoration Goal or Third Party protections. The costs for recirculation are currently unknown, and were roughly approximated by those at the meeting as $35 per acre-foot, based on the California Department of Water Resources' rate of $25 per acre-foot to pump from the Delta to the Tulare Lake bottom and potential exchange costs at the lake bottom. This small group is still in progress.

Construction Approach and Stranded Assets

Katrina Harrison discussed the progress of the stranded assets small group. The purpose of the group was to discuss construction funding decision making process in Reclamation, and how Reclamation prevents incomplete projects. The group has not finished yet, and currently has a draft document in review.

With the current available funding, the Program may begin to run out of funds in the San Joaquin River Restoration Fund in Fiscal Year 2022. At this point, seepage projects will have been

completed to 2,500 cubic feet per second (cfs), the Arroyo Canal Fish Screen and Sack Dam Fish Passage Project will have been funded in 2021, the Mendota Pool Bypass will be complete, relocation and land acquisition for Reach 2B will be complete, but there will not be funds available for the Reach 2B levees. Enough projects will be complete for unimpeded fish passage. The San Joaquin River Restoration Fund will still accumulate money after this point.

The group discussed the role of the State in implementing the Settlement. The State is currently the lead in addressing key barriers to migration, levee work, and all projects that interact with the State Plan of Flood Control. $200 million was promised by the State to implement the Settlement. The largest uncertainty in the State costs is levee remediation, which conservatively may cost up to $300 million. The State is currently refining that number. Levee improvements are divided into three priorities. Data collection is almost complete for priority 1, and drilling will be complete for priority 2 in the next few months. Priority 1 and 2 levees, which will allow 2,500 cfs through the entire system, will cost roughly $50 million. Costs for priority 3 levees, which allow 4,500 cfs through the entire system, are the most expensive. DWR hopes to include the information for priority 1 and 2 levees in the 2016 Channel Capacity Report, but this may be delayed and instead included in the 2017 Channel Capacity Report as the information may not be available in time for the 2016 report.

All DWR requests have been for bond funds. To request Proposition 1E funds, the State wants to know what specific project will be funded with the money. The State is expected to reappropriate $1.6 billion in Proposition 1E funds on April 30, 2015. DWR has asked for some of this money to fund smaller initial levee projects.

The group then discussed the Mendota Pool Bypass timeline. The Program will incorporate project schedules into the Framework to ensure Mendota Pool operations are not impacted by the compact bypass construction. The Mendota Pool Bypass construction will be broken into several contracts; the bifurcation structure, levee construction, floodplain grading, and revegetation, which will be sequenced to avoid impacts to Mendota Pool operations.

Seepage projects will be constructed to 4,500 cfs if they are impacted at lower flows, so the Program only needs to bother landowners once.

Congressional action is required to lift the appropriations cap on the Program.

Program Management and Transparency

Ali Forsythe presented on the progress of the Program Management and Transparency small group. The purpose was to identify challenges to management and transparency, and brainstorm solutions. The write up of this group will be incorporated as text in the Framework.

New Small Group - Funding

Ali Forsythe presented on a new idea for a small group on funding options for the Program. The group would brainstorm and discuss alternative funding sources, both internal and external to Reclamation. The result would be a Framework appendix that would identify potentially feasible funding options.

Response to December 19th Meeting

Ali Forsythe introduced the afternoon discussion, which consisted of Reclamation's response to the points heard at the December 19, 2014 meeting. The responses to the points heard are included in the presentation. The summary below focuses on the follow-on discussions at the meeting.

NRDC

1. NRDC would like to see analysis on funding limitations beyond what is currently in the Framework, such as determining when the State will not be able to keep pace with Federal spending, leaving the Program unable to accept Federal appropriations due to the cost-share. Potentially Reclamation could enter into an agreement with the State that outlines how the State will match the cost-share in the future if the State is not able to match the cost-share at present. Reclamation has done this before, and can inquire if this is a possibility for the Restoration Program.

   NRDC also requested that State representatives join in this process. This will be easier for DWR after this summer, when updated estimates of the levee costs are available. More accurate estimates will allow DWR to approach the State about specific requests for Proposition 1E money. DWR could also commit to small portions of the levee projects that allow them to keep pace with Federal spending.

   The group discussed inflation and interest in the San Joaquin River Restoration Fund. The Fund is not interest bearing, and transferring the money to another interest bearing account would violate the law unless special legislation was passed. Some costs in the Framework are indexed; however, all interest on Federal accounts goes to the treasury. There is a cost escalation issue; the Program is losing money over time.
2. No comments
3. No comments
4. No comments
5. Bob Clarke presented on the Fisheries Reintroduction Plan. A series of meetings will be held to identify a list of issues concerning fisheries restoration and establish a timeline to resolve these issues. At the end of the process, USFWS will identify what needs to be addressed, who will address it, and the timeline required to address it.

   NRDC had imagined more detail in the Fisheries Reintroduction chapter in the Framework. Completing a Fisheries Reintroduction Plan before writing the Fisheries Reintroduction chapter could draw out the Framework process. Fisheries reintroduction is a critical part of the Program, and needs to be represented in the Framework.

   The group discussed the necessity of including a Fisheries Reintroduction chapter in the Framework, but additionally the need for a clearer vision of what should be in this chapter. The Program has produced several fisheries documents that the Implementing Agencies are following currently. Feedback is needed on how these documents fall short of expectations. The group decided to form a small group to define the vision for fisheries reintroduction that will be included in the Fisheries Reintroduction chapter. The chapter will represent where the Program is now, and will be fleshed out over time. Nothing in the Framework discussions has changed the ultimate goal of the Program, only the timeline and funding. The chapter would document these overarching goals.
6. No comments

7. No comments
8. It should be clarified in the Framework that a preferred alternative for Reach 4B will be chosen in the next five years so the parties can get relevant information to DWR.
9. No comments
10. The State also needs to be involved in the removal or relocation of Hills Ferry Barrier. The barrier was renewed for three years in 2016, and is up for renewal again in 2019.
11. Channel capacity to 2,000 cfs could be achieved in the five year vision; however, there are too many unknowns for DWR to say this for certain right now. Subsidence is reducing channel capacity, and could create additional areas of concern that were not included in the initial levee drilling. DWR intends to determine if 2,000 cfs channel capacity is feasible by this fall. The group suggested adding an "if/then" statement to the Framework, so if certain conditions are met, the Framework will commit to reaching 2,000 cfs in the five year vision. The levees in Reach 2B will also be a constraint unless erosion in the 2B channel due to the compact bypass changes this interaction.
12. The group discussed adding the funding for a fish collection facility into the budget in case it is necessary. There are funds identified to study the fish collection facility in the State portion of the Framework, and funds to implement the fish collection facility in the Federal portion. Additional language about when the decision to install the fish collection facility could be added to the Framework document.
13. No comments
14. No comments
15. Truly answering if there is enough spawning habitat will be combination of information from the Spawning Habitat Small Interdisciplinary Group (SIG) and the Fisheries Reintroduction Plan. The MAP Panel is asking for an assessment of the Spawning, Incubation, and Rearing habitat from the respective SIG groups.
16. The group discussed funding options for the potential barriers at Mud and Salt sloughs. Right now there are no funds for constructing barriers at Mud and Salt sloughs in the Framework; does there need to be an "if/then" statement to set aside funds if necessary? Potentially some of the funding that is currently used for Hills Ferry Barrier from the Four Pumps Agreement could be used to operate these barriers, but the Program would need to discuss this with the State.

    In addition to funding specific Settlement items, the funding small group should also look into ways to improve the Program through collaborative funding efforts, such as the funding for Hills Ferry Barrier, which could provide funds for actions not specifically called out and funded in the Settlement.
17. The group discussed if the State had flood control responsibilities to increase channel capacity in Reach 4B. This could substantially change the $100 million project costs estimate, and could allow Reach 4B to be built out earlier in the Program timeline. The Reach 4B decision has not yet been made, so any statements in the Framework would need to be flexible so they were not deemed pre-decisional. It seems unlikely that the State will allocate $100 million to spend on Reach 4B due to limited flood benefits, and because it is not a multiple benefit project. However, the channel would provide an upmigration route for Chinook salmon, and would be generally beneficial to fish. Alternative funding sources for the Reach 4B project could be discussed in the funding small group.

18. No comments
19. No comments
20. No comments
21. Reclamation as an organization has not made the decision to continue the Friant surcharge at $7 per acre-foot, but if it is included it in the Framework, the Program will have more ability to push for this.
22. Kevin and Ali need to have a discussion about State funding to determine if $20 million annually in State appropriations is a realistic estimate.
23. No comments

Friant

1. The group discussed if a Recirculation chapter should be added to the Framework. There are many issues in the Program, and not all of them will have their own chapter. Essentially, Reclamation needs to decide if recirculation is going to be a Program cost. If recirculation is an ancillary cost, then it doesn't seem consistent to include in the Framework, but if it is a Program cost, a chapter could make sense. Friant requests a funding plan to pay for the recapture and recirculation costs in addition to the developed Plan, and would like the cost of recirculation to be included in the Framework. Reclamation's plan is to pay for the part of recapture and recirculation that Erika presented in the Small Group presentation, but believes that Friant should pay the operations and maintenance costs (O&M) associated with recapture and recirculation. Reclamation as an agency does not pay for O&M costs, these are covered by the water users, and paying for O&M for Friant would set a precedent for the agency.

   The group discussed if Friant would accept Reclamation selling part of the recaptured water to Third Parties in order to pay to recirculation the rest of the water, to keep the Program cost neutral. Friant would like to have a discussion about this. Without including the costs in the Framework, Reclamation is ignoring the issue of how to fund recirculation. The Exchange Contractors feel that this is generally a Friant / Bureau issue; however, if the result moves water away from Friant, given the recent calls on Friant, the Exchange Contractors are concerned and would like to be involved in these discussions. Reclamation clarified that the only water in question would be water already allocated to the Restoration Program. The group decided to continue this discussion as part of the recapture and recirculation small group.
2. No comments
3. No comments
4. Including a worse case scenario wasn't intended to be a recommendation to Reclamation, it was intended to show what Friant assumed as a worst case.
5. No comments
6. No comments

Exchange Contractors

1. No comments
2. The group discussed the language in the Framework regarding the Restoration Administrator's flow recommendations. The phrase "shall consider" is interpreted by Reclamation to mean that they must ensure that the Restoration Administrator's flow

release is legal and safe before releasing flows. The Restoration Flow Guidelines outline this process.

3. No comments
4. No comments
5. No comments
6. No comments
7. No comments

Next Steps

March 23: Comments due on Small Group write ups. Send to Ali (aforsythe@usbr.gov) or Emily (ethomas@usbr.gov)

March 27: Finish remaining small group reports

March 30 – April 10: Large group will review the results of the remaining small groups, comments due April 10

By April 3: Have 2 or 3 meetings of the Funding and Fisheries Reintroduction chapter small groups

May 1: Revised version of the Framework posted to website

May 1 – May 29: 30 day public comment review period, during which time Ali will present the Framework at other standing meetings

June 1 – 30: Implementing agencies will respond to comments

July 1: Finalized framework document posted to web

Meeting Adjourned

3 p.m. PDT