
1.0 IMPLEMENTATION PLAN OVERVIEW

1.1 Introduction

The CALFED Bay-Delta Program is an unprecedented effort to build a framework for managing California's most precious natural resource: water.

Phase II of the CALFED Program will culminate with the Federal Record of Decision (ROD) and the State Certification of the Final Programmatic Environmental Impact Statement/ Environmental Impact Report (EIS/EIR). At that time, Phase III of the CALFED Bay-Delta Program will begin: Implementation of the Preferred Program Alternative. Phase III is expected to extend 30 years or more. Stage 1, which is expected to comprise the first seven years of Phase III, sets forth the direction and builds the foundation for long-term actions. This Implementation Plan satisfies the requirement for the Final Programmatic EIS/EIR to include a schedule for funding and implementing all elements of the long-term CALFED Program (California Water Code section 78684.2). Funding proposals are most specific for the first four years of Stage 1. Following completion of the appropriate environmental documentation and final decisions to proceed, the cost estimates and associated cost-sharing projections will be subject to review by the state and federal executive branches, Congress, and the State Legislature.

CALFED's strategic approach for implementation includes staged implementation and staged decision making. The selection of a Preferred Program Alternative provides the broad resource framework and strategy for implementing a comprehensive Bay-Delta Program. The programmatic decision sets in motion the implementation of some actions, as well as additional planning and investigation to refine other actions. Throughout the implementation period, monitoring will provide information about conditions in the Bay-Delta and results of our actions.

CALFED has decided to implement the Program through stages. The Preferred Program Alternative is composed of hundreds of individual actions that will be implemented and refined over time. The challenge in implementing the Program in stages is to allow actions that are ready to be taken immediately to go forward, while assuring that everyone has a stake in the successful completion of each stage. Linkages and assurance mechanisms will facilitate successful implementation. When site-specific proposals are developed which involve potentially significant additional environmental impacts, those proposals will be subject to subsequent site-specific environmental review, tiering off the Programmatic EIS/EIS. These site-specific impacts will be evaluated and alternatives considered, as part of the individual project review. Some projects will also require permits from individual agencies, such as a Clean Water Act Section 404 permit from the U.S. Army Corps of Engineers (Corps) or a water rights decisions from the State Water Resources Control Board (SWRCB). Final decisions on

individual projects will be based on this full suite of analysis and public comments on the projects.

Potential linkage and assurance mechanisms include contracts, legislation (including bond measures, authorizing and appropriations legislation, and other actions), interagency agreements, agency directives, and stakeholder driven decision processes such as the Ecosystem Restoration Program project selection process. The various potential mechanisms will not all be in place at the beginning of Phase III. It is anticipated that they will be negotiated and implemented based on ongoing coordination among CALFED agencies, stakeholders, the State Legislature, and Congress.

Another important part of CALFED's implementation strategy is adaptive management. There is a need to constantly monitor the Bay-Delta system and adapt the actions that are taken to restore ecological health and improve water management. These adaptations will be necessary as conditions change and as more is learned about the system and how it responds. The Program's objectives will remain fixed over time, but the actions may be adjusted to assure that the solution is durable. In essence, adaptive management calls for designing and monitoring actions such that they improve the understanding of the system while at the same time improving the system itself. Adaptive management is an essential part of implementing every CALFED Program element.

Additionally, CALFED is committed to periodic public review of program implementation. CALFED Policy Group participants will be involved in all significant operational decisions with policy implications, and involvement at higher levels will be sought as needed to resolve outstanding concerns. Public review will also be addressed by formation of a Federal Advisory Committee Act chartered public advisory group and associated work groups. Further, public review will also be a necessary step in the project specific environmental documentation.

1.2 Strategies for Addressing Cross-Cutting Implementation Issues: Addressing Technical, Regulatory, and Policy Concerns

The CALFED Program includes several efforts to develop broadly supported strategies for dealing with complex implementation issues which affect many facets of the Program. These include:

- 1. Regulatory Compliance Strategy:** Virtually every action contemplated in the Program to improve some aspect of the Bay-Delta system requires regulatory approval of some sort. Depending on the action, the permit approval process can range from perfunctory to extremely difficult. Therefore, addressing permit compliance as an integral part of the implementation process is essential to assuring its success. It includes interagency coordination, strategic planning, and focused research to assure that regulatory

compliance is an integral part of program implementation, not an afterthought.

- **Multi-Species Conservation Strategy (MSCS):** The CALFED Multi-species Conservation Strategy (MSCS) is a comprehensive regulatory plan for the CALFED Program developed in accordance with the federal Endangered Species Act (ESA), the California ESA (CESA), and the Natural Community Conservation Planning Act (NCCPA). The MSCS establishes the programmatic State and federal regulatory requirements for numerous species and habitat types within the CALFED Program study area, which includes the Delta Region, the Bay Region (including the outer Bay or near-shore area), the Sacramento River Region, the San Joaquin Region, and other State Water Project and Central Valley Project (SWP/CVP) service areas. By implementing and adhering to the MSCS, the CALFED Program can be implemented in compliance with the ESA, CESA, and NCCPA.

 - **Clean Water Act, Section 404 Compliance:** The Corps issues Section 404 permits. Before the Corps can issue a Section 404 permit for a project, it must determine, among other things, whether a proposed project complies with regulations issued by U. S. Environmental Protection Agency (USEPA) pursuant to Section 404(b)(1) of the Clean Water Act (Section 404(b)(1) Guidelines). The Corps cannot determine whether to issue a Section 404 permit for a particular project until a project-specific administrative record is developed to permit a determination as to whether the project complies with the Section 404(b)(1) Guidelines as well as other relevant regulatory requirements. Because project-specific evaluations for the CALFED Program will only be completed after the ROD for this Programmatic EIS/EIR, no site-specific Section 404 permits will be issued for Program projects at the time of the ROD. However, Corps, USEPA and Program staff are developing a Memorandum of Understanding (MOU) to facilitate timely consideration of Section 404 permits for Program projects.

 - **Permit Clearinghouse:** CALFED is developing a comprehensive list of permit requirements for all proposed program components in early Stage 1, and has convened discussions between the appropriate state and federal regulatory agencies to establish a “permit clearinghouse” to coordinate and expedite permitting across all CALFED programs. The CALFED permit clearinghouse will be established to assure state and federal environmental compliance and associated environmental permitting is completed in an efficient and timely manner. The permit clearinghouse will not circumvent permitting processes or give preferential treatment to CALFED agency projects, but will ensure fairness to both CALFED agency projects and projects sponsored by other entities.
2. **Science Program:** The CALFED Science Program will help assure that decisions in all elements of the Program are guided by independent scientific review and advice.

Performance measures and indicators for each program element be used to will track progress. In order to better integrate objective scientific review into the CALFED Program an Independent Science Board will be appointed to provide oversight and review. Additionally, CALFED will hire an interim science leader and subsequently a Chief Scientist to guide the Science Program. While much of the need for science review is often focused on ecosystem restoration efforts, the CALFED Science Program will cover all of the program components. CALFED implementation is based on adaptive management because there is incomplete knowledge of how the ecosystem functions and the effects of individual project actions on populations and processes. Monitoring key system functions (or indicators), completing focused research to obtain better understanding, and staging implementation based on information gained are all central to the adaptive management process.

3. **Water Management Strategy (WMS):** The WMS will serve to coordinate and integrate the activities of several key CALFED program elements in order to help secure sufficient, reliable water supplies to support environmental, urban, and agricultural beneficial uses. The WMS will be periodically updated throughout program implementation to incorporate the knowledge gained via the science program and modifications in program actions.
4. **Complementary Actions:** The Preferred Program Alternative is broad, ambitious, and long-term, but by itself it does not fully describe the resource management activities of the CALFED agencies. Each of the State and Federal CALFED agencies has responsibilities and authorities that are outside of, but complementary to, the CALFED Program. No description of comprehensive resource management activities in California is complete without mention of the complementary actions being planned and carried out by State and Federal agencies. Complementary actions, such as the Corps Sacramento-San Joaquin River Basins Comprehensive Study, are being undertaken by one or more of the CALFED agencies and are being coordinated to address flood plain management issues with other water management and ecosystem restoration actions. Many of these actions will yield statewide benefits. In describing a program as large as CALFED, it is easy to lose sight of the human perspective of how the program will affect individuals, their neighbors, and the region that they live in. This Implementation Plan focuses on a program-by program perspective on the various CALFED program elements. However, the various program actions have been developed to assure that they provide appropriate regional and programmatic balance.
5. **Local Implementation:** The success of the CALFED Bay-Delta Program depends, to a great extent, on the willingness of the public, government, and science to collaborate in achieving the overarching ecosystem quality, water quality, water supply reliability, and levee stability goals of the Program. CALFED also recognizes that actions supported by the program must be not only technically and scientifically appropriate, but also socially and politically in concert with local needs and desires. In order to meet these varied

needs, and to increase the potential to achieve the Program's overarching goals, CALFED will facilitate the development of a set of locally appropriate, community-based implementation strategies. These strategies will be developed by local communities on a watershed basis, with assistance from CALFED staff, State and Federal agencies, scientists, and other stakeholders. These local implementation strategies will help refine and specify the appropriate set of objectives, targets, or benefits to be pursued through community-based action; the locally appropriate set of actions to be carried out to address these objectives, targets, or benefits; and the local people or entities responsible for implementation of these actions.

1.3 Governance

The challenge of retaining Program direction and coherence while implementing actions on many fronts, with multiple agencies and stakeholder groups, will be met in part by appropriately structuring Program governance. As currently envisioned, most Program actions will be implemented by existing entities with overall implementation and funding priorities directed by a new joint federal-state commission. The governance plan is discussed in detail in Section 4.

1.4 Finance

Assuring adequate, long-term financing for the Program will be one of its greatest challenges. A wide range of funding sources and funding mechanisms will be employed to meet the diverse needs of the Program. These include state and federal appropriations, bond measures, user fees, and private investments. A fundamental principle for allocation of Program costs is that beneficiaries should pay the cost of benefits received. The difficulty in applying this principle lies in quantifying benefits of actions which are often difficult or impossible to measure directly. Therefore, policy judgments and negotiations will be integral features of Program financing. The financing plan is discussed in detail in Section 5.

1.5 Implementation Actions

The eight CALFED program elements include Ecosystem Restoration, Watershed Management, Levee System Integrity, Water Quality, Water Transfers, Water Use Efficiency, Storage, and Conveyance. If fully and successfully implemented, they are intended to achieve the broad, balanced objectives of the Program as developed in Phase I. Within the strategic framework summarized in the previous paragraphs, the Program elements would be implemented as a series of discrete, but inter-related actions. The cornerstone of CALFED's implementation strategy is to identify and set priorities for those actions in a fair, open process involving agency and stakeholder participants. Each of the eight Program elements includes broad and intensive

outreach and coordination with interested agencies and stakeholders, through technical advisory groups, public workshops, and other forums. During Program implementation this outreach, coordination, and decision making framework will need to be further refined to assure that actions selected for implementation are broadly supported and are likely to be the most cost effective at each stage of the Program.

The CALFED Program plans, included as separate appendices to the Programmatic EIS/EIR, constitute the broad vision for long-term implementation of the Program. Based on extensive coordination efforts to date, additional details have been proposed for Stage 1 of Program implementation, which is expected to comprise the first seven years. The proposed Stage 1 actions are listed in Section 2. The Stage 1 actions are subject to revision, including modification, deletion, or addition of individual actions, based upon information developed during program implementation; availability of resources, including funding and personnel; and logistical considerations.

Substantial additional effort has gone into describing those actions which are already underway or need to be initiated immediately after the ROD and Certification are completed. This additional effort is needed to support advance planning, including budgeting and agency staffing to allow these actions to proceed without delay after the ROD and Certification. These actions have been developed to assure that they provide appropriate regional and programmatic balance. Based on stakeholder and CALFED agency input, various linkages will be applied as needed to assure that balance is maintained as implementation proceeds. The Stage 1a actions are those which may be funded for implementation in the first two program years following completion of the ROD and Certification, and are summarized in Table 3.1.

1.6 Accountability

California taxpayers, stakeholders, and the federal government will invest billions of dollars in Phase III of the CALFED Program. Expenditure of those funds must be based upon accountability and measurable progress being made on all elements of the program. Program progress will be measured in an annual report issued by the CALFED governing body. The annual report will contain status reports on all actions taken to meet CALFED objectives in Stage 1, including goals, actions, schedules, and financing agreements. The CALFED governing body will conduct such annual reviews in consultation with state and federal CALFED representatives and other interested persons and agencies.