

CONSIDERATION OF A RESOLUTION DIRECTING STAFF TO WORK WITH STATE, FEDERAL AND LOCAL AGENCIES TO: (1) DEVELOP REGIONAL WATER PROFILES IN COORDINATION WITH DWR'S CALIFORNIA WATER PLAN UPDATE; (2) DEVELOP A LONG-TERM FINANCE PLAN; AND (3) REEVALUATE THE TARGETS AND BUDGETS NECESSARY TO MEET PROGRAM GOALS SPECIFIED IN THE RECORD OF DECISION

Agenda Item: 8

Meeting Date: October 9, 2003

Summary: This resolution, dealing with future priorities and direction for the Program, builds on information presented in Agenda Items 6 and 7, and a report from the Bay-Delta Public Advisory Committee (BDPAC). It provides direction and guidance to staff and the implementing agencies in the development of FY 04-05 work plans.

Recommended Action: Staff recommends that the Authority adopt the attached Resolution No. 03-10-02. This action is consistent with the overall Bay-Delta Program and supports balanced achievement of the goals and objectives of the Program.

Background

At its September 11, 2003 meeting, BDPAC discussed the interrelationships and coordination of planning processes being undertaken by the California Bay-Delta Authority, the Department of Water Resources, and the Bureau of Reclamation. Similar presentations to the Authority will occur under Agenda Item 6. All three processes point to the need for better information about regional and local water development as a critical element to help determine future State and Federal legislative and funding priorities.

Staff recommends that the Authority include regional profiles as part of the 2005 planning process. BDPAC's recommendations, contained in Attachment 1 to this agenda item, identified some broad parameters to guide regional profiles. Based on this input and discussions with the Water Plan staff, staff recommends that regional profiles include the following types of information:

- Regional interests, priorities, and goals
- Challenges facing the region
- Land uses and future trends in land use relative to water management, including trends in irrigated agriculture acreage and in population

- Current water management needs in a region
- Current water supplies available to meet those needs
- Estimated range of future needs from local or regional planning studies and from the Water Plan as this information becomes available
- Regional or local planning for supply augmentation and demand reduction to address future water management needs
- Current and planned regional, State and Federal investments in water management elements such as recycling, storage, water use efficiency, and desalination for the region
- Current and planned regional, State, and Federal investments in ecosystem restoration and watershed management activities
- Regional drinking water quality strategies
- Current regional capacity to conduct regional planning

These regional profiles will need to be developed in very close coordination with the California Water Plan and with the various interests in a region. Where regional or sub-regional planning is already underway, the regional profiles should look to incorporate that information. The regional profiles can also help identify assistance a region needs to forward regional planning.

In addition, staff discussed with BDPAC, steps now being undertaken to develop a long-range finance plan for the Authority, including the establishment by staff of an Independent Panel with *ad hoc* and technical advisory groups to develop recommendations for the plan. A similar presentation is included for the Authority under Agenda Item 7. The BDPAC concurred with those steps and recommended the Authority direct staff to continue development of the long-term finance plan.

Finally, after reviewing current and near-term funding and the accomplishments of the Bay-Delta Program through the first three years of implementation, BDPAC recommended that the Authority direct staff, to work with the implementing agencies, to reevaluate the targets and budgets necessary to meet Program goals, as defined in the August 2000 Programmatic Record of Decision (ROD). This recommendation stems from recognition that:

- Current State and Federal fiscal status is very different from the time when the ROD was written,
- Local and regional conditions should be more completely reflected,
- Several of the programs included a specific requirement to reevaluate elements of the Program after four years,
- Original monetary targets should be replaced with more performance oriented targets as they are developed, and
- New information should be incorporated through adaptive management into the Program.

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Fiscal Information

Not applicable.

List of Attachments

Attachment 1 – Report from the Bay-Delta Public Advisory Committee

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Agenda Item: 8
Meeting Date: October 9, 2003

CALIFORNIA BAY-DELTA AUTHORITY
RESOLUTION NO. 03-10-02

DIRECTING STAFF TO WORK WITH STATE, FEDERAL AND LOCAL AGENCIES TO: (1) DEVELOP REGIONAL WATER PROFILES IN COORDINATION WITH DWR'S CALIFORNIA WATER PLAN UPDATE; (2) DEVELOP A LONG-TERM FINANCE PLAN; AND (3) REEVALUATE THE TARGETS AND BUDGETS NECESSARY TO MEET PROGRAM GOALS SPECIFIED IN THE RECORD OF DECISION

WHEREAS, the interrelationships and coordination of planning processes being undertaken by the California Bay-Delta Authority, the Department of Water Resources (DWR) California Water Plan Update, and the Bureau of Reclamation Water 2025 point to the need for better information about regional and local water development as a critical element to help determine future State and Federal legislative and funding priorities; and

WHEREAS, the Bay-Delta Public Advisory Committee (BDPAC) has recommended that regional profiles be developed in close coordination with the California Water Plan effort and with the various interests in a region, and included as part of the 2005 planning process; and

WHEREAS, BDPAC has recommended that the regional profiles include information such as regional interests, priorities, and goals; challenges facing the region; current water management needs in a region; current water supplies to meet those needs; and other relevant regional information; and

WHEREAS, uncertainties over the availability of future bond funding and the requirement that the Program move forward in a balanced manner dictate the need for a long-term finance plan for the Authority; and

WHEREAS, in light of the complex nature of the Program, BDPAC concurred with staff that the development of a long-term finance plan should include intermediate reports at various stages, such as a report proposing a framework and set of principles for developing the plan; a report identifying finance options for each of the program elements based on an evaluation of benefits, beneficiaries, and costs; and a final report proposing finance options and the institutional structure necessary to implement the plan; and

WHEREAS, after reviewing current and near-term funding and the accomplishments of the Bay-Delta Program through the first three years of implementation, BDPAC has recommended to the Authority that it initiate a reevaluation of the targets and budgets necessary to meet Program goals specified in the Record of Decision (ROD); and

WHEREAS, this recommendation is based on the fact that the current State and Federal fiscal condition is much less favorable than when the ROD was adopted; local and regional conditions should be more completely reflected; the ROD required a reevaluation of several programs after four years; original monetary targets should be replaced with performance-oriented targets, as they are developed; and new information should be incorporated through adaptive management across all of the program elements;

NOW, THEREFORE, BE IT RESOLVED that the California Bay-Delta Authority directs staff, to work with State, Federal and local agencies to: (1) develop regional water profiles in coordination with DWR's California Water Plan Update; (2) develop a long-term finance plan; and (3) reevaluate the targets and budgets necessary to meet program goals specified in the ROD.

CERTIFICATION

The undersigned Assistant to the California Bay-Delta Authority does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the Authority held on October 9, 2003.

Dated:

Heidi Rooks
Assistant to the California Bay-Delta Authority

Attachment 1

CALIFORNIA BAY-DELTA PUBLIC ADVISORY COMMITTEE RECOMMENDATION TO CALIFORNIA BAY-DELTA AUTHORITY AND IMPLEMENTING AGENCIES ON INTEGRATION OF CALIFORNIA WATER PLANNING PROCESSES AND FUTURE PRIORITIES

Summary: This recommendation suggests improvements for coordination between the California Water Plan Update, Water 2025, and the Bay-Delta Program and advises the Authority and implementing agencies on establishment of near-term priorities.

Recommended Action: The California Bay-Delta Public Advisory Committee recommends that the Authority and implementing agencies ensure appropriate coordination between the three processes and provide direction to Authority staff, the agencies, stakeholders, and regional interests by establishing priorities that lead to development of accurate regional profiles, appropriate statewide and regional targets, and sound, sustainable long-term funding of the Program.

Background

On September 11, 2003, the Committee reviewed with State and Federal agency representatives the purpose and content of the California Water Plan Update, Water 2025, and goals and accomplishments of the Bay-Delta Program. The discussion highlighted the unique qualities and areas of commonality and overlap of the three processes. The Committee also reviewed with Authority staff recent Program accomplishments and funding for years 1 through 7. After extensive discussion, the Committee made the following recommendations that it is asking the Authority and implementing agencies to adopt during discussion on agenda item 8 during the meeting on October 9, 2003.

Improve Coordination/Integration of California Water Plan Update, Water 2025, and the California Bay-Delta Program

The Committee advises the Program to build on the relative strengths of the three processes and avoid duplication of effort. Water 2025 calls for the type of coordination and integrated planning and implementation that is occurring in California through the Bay-Delta Program.

Members pointed out that regional coordination has been a Bay-Delta Program priority, and the Program has been forging partnerships with numerous local and regional interests throughout the solution area to address issues and carry out projects and activities. Another Program strength is its expertise in watershed management, improving water quality, and ecosystem restoration. The strength of the Water Plan process is that it has identified the data gaps, recognized the need for regional water planning, contributed to public outreach, and has made more progress in finding integrated solutions for increasing water supply. Members advised the Water Plan process take advantage of the Bay-Delta Program regional initiatives and rely on the local interests to develop regional priorities and strategies. Several members offered other suggestions to ensure balanced consideration of issues during planning and implementation.

Adopt the Following Near-Term Priorities

Develop Regional Profiles

Regional profiles that address how regions are using their water, now and in the future, and how they are spending their resources on water management initiatives will be critical for developing and carrying out Program priorities. It was suggested that the regional profiles become part of the 2005 Program Plans and that the Bay-Delta Program budgets include information on the regional investments. Regional profiles would identify, for example, locally/regionally funded conservation and recycling. Regional profiles can also integrate system reliability benefits with regional needs. The profiles would help identify the priorities that regions share with the State and Federal agencies. Conversely, it was suggested the Program keep track of its projects and activities and specify how those investments contribute to regional priorities.

Although the regional profiles and integrated water resource planning will benefit the regions and the Program, there are challenges that must be addressed. Members representing regional interests noted that regions will need:

- tools from the agencies to provide the necessary data,
- incentives and funding,
- capacity-building, especially in regions without a history of cooperative planning.

It was suggested that Proposition 50 funds could be used to support regional water planning. The Program was also advised to better articulate what is expected from the regions and the relationship between regional and Program priorities and targets.

Consider Revising Bay-Delta Program Targets

The Chair noted that the Bay-Delta Program is akin to a successful start-up business. California water interests and stakeholders support the Program's principles. All of the State and Federal agencies are involved, the Program is the platform for moving water

policy forward in California and progress on addressing California's water issues is much further along than if the Program was not in place.

Since the signing of the Programmatic Record of Decision in 2000, financial conditions have changed, and this is an appropriate time to reassess and develop a strategic plan for the next few years. This reassessment, including development of the regional profiles, will help the Committee, regional interests, and Program identify future priorities. Some members suggested that rather than revising the Program goals and objectives, schedules and approaches for meeting the goals be assessed and adjusted.

Develop Long-Term Finance Plan Options

In March 2003, the Committee adopted development of a long-term finance plan as a priority, noting that the Program is dependent on State bond funds for the near-term, and it is time to pursue long-term, sustainable funding options. In September members noted that knowledge of regional investments and priorities and reassessment of targets will lead to development of a sound long-term finance strategy.

Members suggested that development of a sound finance plan will present a more compelling case for Federal funding and advised the Program consider:

- State/Federal/local funding sources other than those currently included in the Bay-Delta Program cross-cut budget,
- requesting that the Federal Office of Management and Budget develop a Federal cross-cut budget based on State and regional priorities, and
- working with the Committee and regional interests to develop a mechanism to track local investments.

Fiscal Information

Currently not applicable. Following through on recommended priorities may lead to revised future Authority and implementing agency budgets and financing strategies.

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