

**California Bay-Delta
Public Advisory Committee
and
CALFED Bay-Delta Program
Policy Group
Public Meeting**

**December 4, 2002
9:00 a.m. – 4:00 p.m.
Sheraton Grand Hotel
1230 J Street
Grand Ballroom
Sacramento, California**



1416 Ninth Street, Suite 1155
Sacramento, California 95814

(916) 657-2666
FAX (916) 654-9780
<http://calfed.ca.gov>

Memorandum

Date: November 25, 2002

To: California Bay-Delta Public Advisory Committee and
CALFED Policy Group

From: Patrick Wright
Director

Subject: December 4, 2002 Meeting

The joint meeting of the California Bay-Delta Public Advisory Committee and CALFED Policy Group will be held on December 4, 2002, at the Sheraton Grand Hotel in Sacramento, California. Expected meeting outcomes are:

- Committee adoption and Policy Group action on Subcommittee recommendations related to Year 3 work plans and CALFED finance.
- Discussion on CALFED governance and other Committee priorities.
- Review of Program priorities, including key integrated water operations milestones.
- Lead Scientist, Dr. Sam Luoma, will also report on the Science Program.

Included in this packet is an agenda and related meeting materials. I look forward to this joint meeting and working with you in December.

CALFED Agencies

California

The Resources Agency
Department of Water Resources
Department of Fish and Game
The Reclamation Board
Delta Protection Commission
Department of Conservation
San Francisco Bay Conservation
and Development Commission

California Environmental Protection Agency
State Water Resources Control Board
Department of Health Services
Department of Food and Agriculture

Federal

Department of the Interior
Bureau of Reclamation
Fish and Wildlife Service
Geological Survey
Bureau of Land Management
Environmental Protection Agency
Army Corps of Engineers

Department of Agriculture
Natural Resources Conservation Service
Forest Service
Department of Commerce
National Marine Fisheries Service
Western Area Power Administration

California Bay-Delta Public Advisory Committee & CALFED Bay-Delta Program Policy Group

Wednesday, December 4, 2002

9:00 a.m. to 4:00 p.m.

Sheraton Grand Hotel

1230 J Street, Grand Ballroom

Sacramento, CA

Agenda¹

- 9:00 a.m.**
1. Welcome/Introductions
 2. Chairs' Reports (*Committee Action*)
 - Water Bond
 - Governance Update
 - Federal Authorization
 3. Director's Report
 4. Program Progress and Balance – 2002 Review (*Action: Information*)
 5. 2003 (Year 3) Work Plans (*Discussion/Committee & Policy Group Action*)
 - Subcommittee Recommendations
 - Program Priorities
 - ✓ Key Integrated Water Operations Milestones
 - ✓ Surface Storage
 6. Lunch and Lead Scientist's Report (*Action: Discussion*)
 7. CALFED Bay-Delta Program Finance (*Committee & Policy Group Action*)
 - Proposition 50 Summary and Principles
 - Subcommittee Recommendations
 8. Public Comment
- 4:00 p.m.**
9. Adjourn

¹ Order of agenda items is subject to change.

CALFED Agencies

California

The Resources Agency
 Department of Water Resources
 Department of Fish and Game
 The Reclamation Board
 Delta Protection Commission
 Department of Conservation
 San Francisco Bay Conservation
 and Development Commission

California Environmental Protection Agency
 State Water Resources Control Board
 Department of Health Services
 Department of Food and Agriculture

Federal

Department of the Interior
 Bureau of Reclamation
 Fish and Wildlife Service
 Geological Survey
 Bureau of Land Management
 Environmental Protection Agency
 Army Corps of Engineers

Department of Agriculture
 Natural Resources Conservation Service
 Forest Service
 Department of Commerce
 National Marine Fisheries Service
 Western Area Power Administration



1416 Ninth Street, Suite 1155
Sacramento, California 95814

(916) 657-2666
FAX (916) 654-9780
<http://calfed.ca.gov>

Memorandum

Date: November 25, 2002

To: California Bay-Delta Public Advisory Committee and
CALFED Policy Group

From: Gary Hunt, Committee Chair

Subject: Agenda Item 2: Committee Chair's Report

We have much to celebrate as 2002 comes to a close. We are beginning the transition to the new governance structure, as a result of enactment of the California Bay-Delta Authority Act. Also, voters endorsed continuing support of the CALFED Bay-Delta Program by passage of Proposition 50 in November. I want to thank everyone who worked to ensure these two Committee priorities were achieved.

The Steering Committee met on November 13, 2002, to discuss the Program details on the transition and issues related to allocation of Proposition 50 funds to support CALFED goals and objectives. The December 4, 2002, meeting will bring the full Committee and CALFED Policy Group up-to-date on these two topics. This joint meeting will also be an opportune time to discuss the tasks and actions needed to ensure that we move forward on financing water supply projects, as called for in the Record of Decision.

I urge all members to attend this important meeting and look forward to discussing these items with the Policy Group.

CALFED Agencies

California

The Resources Agency
Department of Water Resources
Department of Fish and Game
The Reclamation Board
Delta Protection Commission
Department of Conservation
San Francisco Bay Conservation
and Development Commission

California Environmental Protection Agency
State Water Resources Control Board
Department of Health Services
Department of Food and Agriculture

Federal

Department of the Interior
Bureau of Reclamation
Fish and Wildlife Service
Geological Survey
Bureau of Land Management
Environmental Protection Agency
Army Corps of Engineers

Department of Agriculture
Natural Resources Conservation Service
Forest Service
Department of Commerce
National Marine Fisheries Service
Western Area Power Administration



1416 Ninth Street, Suite 1155
Sacramento, California 95814

(916) 657-2666
FAX (916) 654-9780
<http://calfed.ca.gov>

Memorandum

Date: November 25, 2002

To: California Bay-Delta Public Advisory Committee and
CALFED Policy Group

From: Patrick Wright
Director

Subject: Agenda Item 4: Program Progress and Balance – (*Information*)

As was discussed at the September 19, 2002, Committee meeting, the Program has made progress in meeting its Program objectives in Year 2. However, when comparing available funds with the budget in the Record of Decision, certain Program elements are under funded (See attachment 1). With the creation of the new California Bay-Delta Authority and passage of Proposition 50, the Program is in the position to address the funding shortfalls and therefore, no finding of imbalance is necessary.

Attachment

CALFED Agencies

California

The Resources Agency
Department of Water Resources
Department of Fish and Game
The Reclamation Board
Delta Protection Commission
Department of Conservation
San Francisco Bay Conservation
and Development Commission

California Environmental Protection Agency
State Water Resources Control Board
Department of Health Services
Department of Food and Agriculture

Federal

Department of the Interior
Bureau of Reclamation
Fish and Wildlife Service
Geological Survey
Bureau of Land Management
Environmental Protection Agency
Army Corps of Engineers

Department of Agriculture
Natural Resources Conservation Service
Forest Service
Department of Commerce
National Marine Fisheries Service
Western Area Power Administration

•
•
•

CALFED Bay-Delta Program

Agenda Item 4

Year 2 Assessment

Ecosystem Restoration

Accomplishments to Date

- Single Blueprint - 381 projects, \$398 million
 - FY01/02: 59 projects, \$ 63 million
- Highlights from “Look Back” exercise:
 - Nearly 100,000 acres of habitat for protection/restoration
 - 72 fish screens/ 2,565 cfs of diversion capacity
 - 15 fish ladders and 10 dams to be removed
 - 129 watershed and env education projects
- Functional EWA providing fish protection and water supply reliability
- Fish populations on the rebound

Water Supply Reliability

Year 2 Accomplishments

- Surface Storage: significant progress on all 5 projects
- Groundwater: 39 grants, \$107 million, 120,000 af
- Transfers: 600,000 af in 2001, 300,000 af in 2002
- Conveyance: Significant progress towards increasing Delta pumping to 8,500 cfs and permanent barriers
- Water Use Efficiency: 37 grants, \$10.3 million, 171,000 af
 - Draft urban water conservation certification framework
- Interim Water Supply Reliability: met 65-70% CVP target and provided reliability assurances despite dry conditions and loss of b(2) water

Water Quality

Year 2 Accomplishments

- 13 water quality grants, \$6.7 million for source control, ag drainage and treatment technology
- Initiated a drinking water quality strategic planning process through the DWQ Sub-committee
- Initiated feasibility studies for Veale/Byron Drainage Reduction project
- Continued work on previously funded projects: Bay Area Water Quality and Water Supply Reliability (BABE), RTM, Salinity/Selenium, Sources and loads

Levee System Integrity

Year 2 Accomplishments

- 5.7 miles of levee stability projects
- \$4.5 million for maintenance and repair
- Continued 47 levee stability and habitat projects

Science

Year 2 Accomplishments & Year 3 Primary Tasks

- Water Operations and Delta Management
 - Delta Cross Channel Studies/Integrated Ops Plan
- Restoration Science
 - Signature Opportunities
 - State of Estuary Conference and other workshops
- Improved Monitoring/Data Analysis
 - CALFED Science Consortium/New Journal
- Performance Measures
- Peer Review and Expert Panels
- Establish New Science Board under NAS

Balance Issues

- Surface storage and conveyance delays
- Most underfunded programs
 - Water quality
 - Levees
 - Agricultural water use efficiency
 - Science



1416 Ninth Street, Suite 1155
Sacramento, California 95814

(916) 657-2666
FAX (916) 654-9780
<http://calfed.ca.gov>

Memorandum

Date: November 25, 2002

To: California Bay-Delta Public Advisory Committee and
CALFED Policy Group

From: Patrick Wright
Director

Subject: Agenda Item 5: 2003 (Year 3) Work Plans

Introduction

The Program has responded to several Subcommittee recommendations through development of the Year 3 work plans. In implementing the work plans, the Program is working on priorities for Year 3 including surface storage and carrying-out an integrated water operations plan.

Recommended Actions

- The CALFED Bay-Delta Public Advisory Committee adoption and Policy Group action on Subcommittee Recommendations

Background

Subcommittee Recommendations

For State agencies Year 3 began July 1, 2002 and ends June 30, 2003, and for Federal agencies the year began October 1, 2002 and ends September 30, 2003. Over the last several months, the CALFED Program and agencies developed Year 3 work plans for each Program element and Year 3 budget. Attachment 1 summarizes the work plans, and attachments 2 and 3 summarize the budget and Program funding for years 1 through 3.

BDPAC Subcommittees have reviewed the plans and developed related recommendations. Several recommendations were accepted for consideration at the September 19, 2002, Committee meeting. The recommendation from the Working Landscapes Subcommittee was included in the September 19 meeting packet but was not considered by the Committee, because it was forwarded after the agenda for the meeting was set. A majority/minority position from the Ecosystem Restoration Subcommittee is scheduled to be considered by the Committee for the first time in December. Attachment 4 lists the recommendations. Attachment 5 is the Ecosystem Restoration Subcommittee positions.

CALFED Agencies

California

The Resources Agency
Department of Water Resources
Department of Fish and Game
The Reclamation Board
Delta Protection Commission
Department of Conservation
San Francisco Bay Conservation
and Development Commission

California Environmental Protection Agency
State Water Resources Control Board
Department of Health Services
Department of Food and Agriculture

Federal

Department of the Interior
Bureau of Reclamation
Fish and Wildlife Service
Geological Survey
Bureau of Land Management
Environmental Protection Agency
Army Corps of Engineers

Department of Agriculture
Natural Resources Conservation Service
Forest Service
Department of Commerce
National Marine Fisheries Service
Western Area Power Administration

Agenda Item 5: 2003 (Year 3) Work Plans

November 25, 2002

Page Two

Program Priorities

The Program is refining and working on its priorities. The priorities include maintaining schedules and commitments for surface storage and meeting integrated water operations milestones.

At the December 4, 2002, meeting, the Committee and Policy Group will receive a detailed update on key integrated water operations milestones (Attachment 6). Department of Water Resources staff will discuss with the Committee and Policy Group surface storage project budgets and schedules and implications for future financing of project construction (Attachment 7).

Attachments

CALFED Bay-Delta Program Year 3 Work Plan Summary

Revised 11/14/02

Program-Wide Topics

Milestones and Linkages. In developing the Year 3 work plan many ROD milestones and linkages between program elements were considered. Consideration of these milestones and linkages will help determine if the Program is proceeding in a balanced manner. Several of the most significant milestones include:

Year 4

- Evaluate and determine the future of the EWA
- Renegotiate regulatory commitments
- Evaluate accomplishments of WUE
- Evaluate water quality improvements related to through-Delta conveyance
- Evaluate status of 5 surface storage projects

Year 7

- Begin construction of new surface storage
- Evaluate fishery and water quality improvements relative to the success of through-Delta conveyance
- Increase SWP Delta pumping to 10,300 cfs

Several of the most significant linkages include:

Storage/Water Use Efficiency: Construction of new storage will be dependent to a large degree on a successful WUE Program. Regulatory permits for new surface storage must be able to identify a “purpose and need” which will consider the successful implementation of CALFED’s WUE Program, and balanced implementation of the Program overall.

ERP & EWA/Regulatory Commitments: Regulatory commitments issued at the time of the ROD are dependent on a functional EWA and funding of ERP at \$150,000,000 per year.

ERP/Conveyance: Successful through-Delta conveyance, as determined at the end of Stage 1, will be linked to recovery of listed fish populations in the Delta.

Drinking Water Quality/Conveyance: Successful through-Delta conveyance, as determined at the end of Stage 1, is linked to achieving DWQ bromide and TOC targets in the Delta or equivalent level of Public Health Protection (ELPH).

Science/4 Program Objectives: The Science Program plays a key role in providing the best available technical knowledge for use in implementation decision making and for assessing the progress of the Program. Each program element includes scientific activities specific to that part of the program, the Science Program links them together.

Conveyance/Water Supply Reliability: Increased SWP Delta pumping is linked to construction of permanent barriers in the Delta. Increased SWP Delta pumping to 10,300 is linked to construction of new screens at Clifton Court Forebay, which in turn is dependent on new information, including possible results from the Tracy Fish Test Facility.

BDPAC Recommendations. BDPAC recommendations regarding Environmental Justice, Water Use Efficiency, Drinking Water Quality, and Levees have been included in appropriate work plans.

Environmental Justice: All work plans (except Science and Levees) have identified the Environmental Justice tasks they will be able to undertake in Year 3 given staffing and financial constraints.

Water Use Efficiency: Incorporated the Subcommittee's recommendations regarding Agricultural Water Use Efficiency Milestones and Urban Water Conservation Certification.

Drinking Water Quality:

- Included reference to "Equivalent Level of Public Health Protection" in response to BDPAC comment.
- Will address analysis of available funds, including Proposition 50, to support the Drinking Water Quality Program at the December 4, 2002, BDPAC meeting.
- Considering BDPAC recommendation that advanced treatment studies receive priority.
- Considering recommendation that State Water Resources Control Board and Central Valley Regional Water Quality Control Board address drinking water quality issues when implementing SB 390.

Levees: The Subcommittee's funding strategy to address the shortfalls and establish a stable funding mechanism will be addressed by the CALFED agencies

during development of a Program-wide finance plan, currently underway. The Subcommittee will be asked to participate in the development of the plan.

Storage: Consistent with the BDPAC recommendation on In-Delta Storage, BDPAC will review progress of major storage projects at its December 4, 2002, meeting.

Program Element-Specific Topics

Storage

Primary Tasks

- Conjunctive Water Management: Award \$92 million in grants and loans under Proposition 13 and AB 303, track performance of prior year projects and support local partnerships.
- North of Delta: Engineering feasibility study (State), CALSIM modeling, develop alternatives and incorporate into formal environmental documentation.
- In Delta: DWR and Reclamation will continue technical studies to resolve the outstanding issues in order to determine the feasibility of the Re-engineered In-Delta Storage Project identified as a component of the CALFED Bay-Delta Program.
- Los Vaqueros: Secure CCWD Board of Directors approval and schedule for local vote in November 2003.
- Shasta Lake: Develop alternatives and complete assessment of impacts to McCloud River.
- Upper San Joaquin: Complete appraisal level summary report, including evaluation of storage options.

Stage 1

- November 2003 – CCWD vote on Los Vaqueros Expansion

Adjustments/Changes from the ROD

- 2005 – Complete preliminary evaluation of 5 surface storage projects to determine which projects should proceed. Delayed one year.
- Groundwater Local Cost Share: ROD assumed 50% cost share. Actual cost share varies depending on project type and stage 0-100%.
- Changed Surface Storage Costs: Planning costs lower for NOD, In-Delta and USJRSI (-\$66 million), construction costs higher for NOD and LVE (+\$314 million).

Science

Groundwater Conjunctive Management

- The Conjunctive Water Management Program will coordinate with the CALFED Science Program on standards used for measuring performance of feasibility studies, project implementability, and determining potential benefits and beneficiaries to ensure program consistency.
- CALFED Science Program will be requested to help in the evaluation of the technical approach proposed for analyzing surface and groundwater interaction and other hydrologic factors that govern the amount of "real" water that can be developed through groundwater substitution based transfers.
- Butte Basin ground water and linked models (peer review and advise on process)

North-of-Delta Offstream Storage

- The recommendations of the Flow Regime Technical Advisory Group on the operations of North-of-Delta Offstream Storage to minimize or avoid impacts to fish and provide ecosystem benefits in the Sacramento River will be submitted for review by the CALFED Science Review Panel.
- Initiating Process to peer review CALSIM and its applications

In-Delta Storage

- CALFED Science Panel Review of the Pre-feasibility Study was initiated in May 2002 and will be completed in October 2002.

Conveyance

Primary Tasks

- Permanent Barriers/Increasing SWP Delta export to 8500 cfs: Conduct public scoping and release draft EIR/S.
- Develop operating rules for 8500 cfs and permanent barriers.
- Clifton Court fish screens/10,300 cfs: Complete Liquefaction Report, Complete Operations Plan for facility and Complete design criteria for prototype facility.
- Continue Draft EIR/S for North Delta Project and conduct public scoping meetings.
- Complete EA/IS on CVP/SWP intertie.
- Develop concept projects and work plan for Lower San Joaquin Flood Control.
- Complete EA/IS and operational study for San Luis Bypass.
- Identify alternatives for Veale/Byron Tract Drainage Reduction.

Stage 1

Adjustments/Changes from ROD

- Installation of permanent operable barriers and increased SWP Delta pumping to 8500 cfs delayed 1 year.
- Construction of Clifton Court Forebay fish screens and increased Delta pumping delayed because of uncertainties related to design, benefits and cost, lack of funding and delays at TFTF.
- Increased funding required for Through-Delta Facility Planning and South Delta Improvement Program.
- Most Conveyance ROD commitments have been adversely affected as a result of lack of funding.

Science

South Delta

- **8500 cfs – Permanent Operable Barriers** – Operational plans for South Delta barriers and 8500 cfs (preferred alternatives when chosen) will be submitted to the Science Program for review and comment. Adaptive management of the 8500 cfs export and the permanent barriers will be incorporated into the project. Development of this plan will be done in coordination with the Science Program.
- **Clifton Court fish screens/10,300 cfs** – The IEP workgroup is developing a process for integration of CALFED science into the project development.
- **Tracy Fish Test Facility** – The science group is participating on two levels; as a member of the Interagency Ecological Program and directly involved in reviewing the Tracy Fish Test Facility research plans.
- **Veale/Byron Tract Drainage Reduction** – CALFED science review will be incorporated into the project work plan through the distribution of technical memorandum and sampling plans. Draft sampling, testing and monitoring plans as well as technical findings memorandum will be submitted for review and comment.

North Delta

- **Delta Cross Channel Re-operation** – CALFED Science Panel will review work plans for fall and spring field studies and analysis and recommendations will be incorporated. Project Team will hold a workshop with Science Panel on results on Fall 2001 studies and Fall 2002 and Spring 2003 work plans.
- **Through-Delta Facility Planning** – Work plans for passage research will be submitted to Science Panel for review and recommendations will be incorporated. Project Team will hold a workshop with Science Panel on results on Fall 2001 studies and Fall 2002 and Spring 2003 work plans.
- **North Delta Flood Improvements** – Science review will be incorporated through peer review of key technical issues such as hydraulic modeling. North Delta planning staff will work with CALFED Science Program staff to set up peer review processes.

- **CVP/SWP Aqueduct Intertie** – Will request comments from Science Panel during environmental review process.

Water Transfers

Primary Tasks

- Evaluate opportunities to increase the availability of existing facilities for transfers through better definition of Delta conveyance capacity.
- Evaluate the need for a CVP/SWP shared place of use and the possible direct use of SWP allocations for EWA.
- Lower transfer transaction costs through permit streamlining and improved contracting.
- Identify standard mitigation measures to address socioeconomic impacts
- Assist in the review of proposed water transfers.
- Increase availability of information through continued operation of ON TAP website and the development of Water Transfer Clearinghouse.

Stage 1

All ROD deadlines have been met

Water Use Efficiency

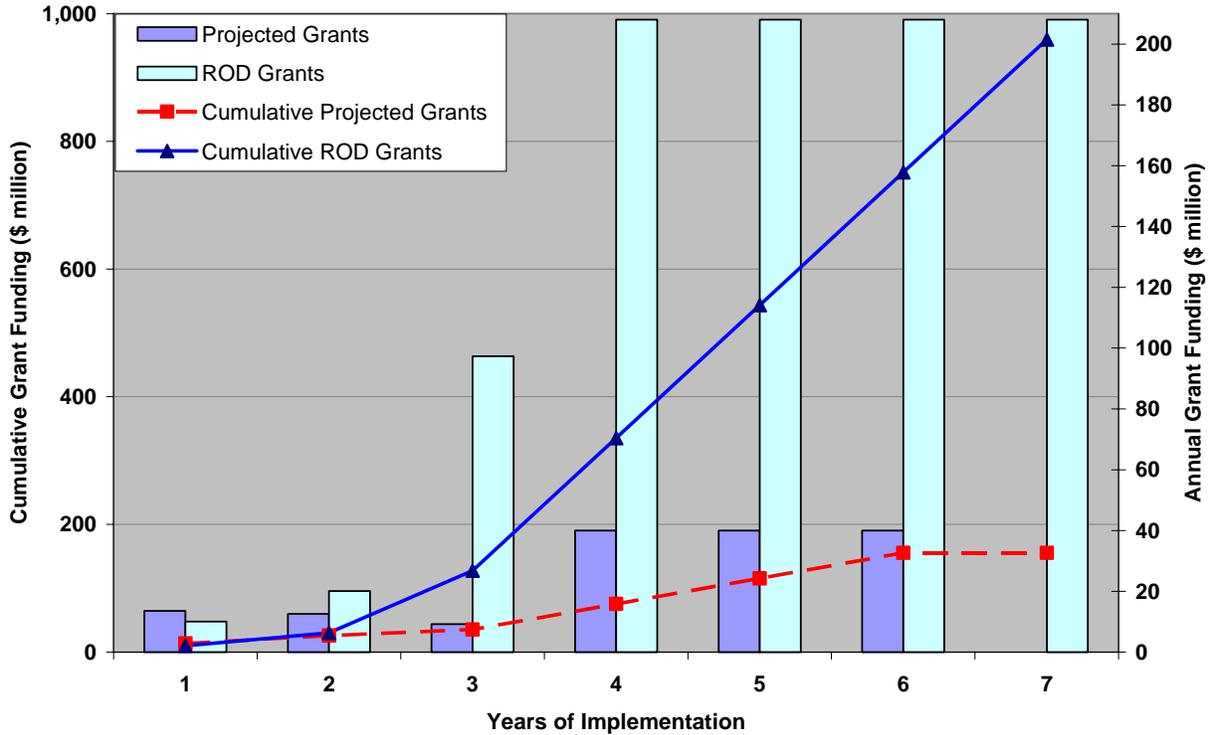
Primary Tasks

- Recycling and urban conservation grants and recycling loans
- Continue development of WUE performance measures
- Continue development of ag water measurement and initiate development of appropriate measurement of urban water use
- Refine Urban Water Conservation Certification framework
- Review and refine quantifiable objectives

Stage 1

- An aggressive WUE Program is linked to construction of new surface storage. Lack of significant grant funding and overall progress on WUE may affect the ability of new surface storage projects to be built.
- Extension of WUE Program to 9 years because of lack of funding - Implications to Storage Program

**Projection of CALFED WUE Conservation Grant Funding
(Agricultural, Urban, & Managed Wetlands)**



Science

The WUE Science Panel, to be convened for the first time by the CALFED Program in early 2003, will review the methods, data, and results of WUE science activities. It will consist of about five independent scientists with collective expertise in agricultural engineering, hydrology, resource economics, and other expertise as needed.

DWR and the USBR will continue to jointly implement CALFED research efforts determining needed research projects and individually managing projects as appropriate. DWR staff will also showcase some of the WUE grant projects and facilitate discussions of associated monitoring at the CALFED Science Conference to be held in January 2003.

Ecosystem Restoration

Primary Tasks

- Complete annual Single Blueprint for Restoration
- Select and fund directed actions from 2002 PSP process
- Increase regional planning and implementation activities
- Finalize Delta Regional ERP
- Continue ERP program evaluation
- Continue ERP Independent Science Board and Special Studies

Science

The ERP has a strong emphasis on a science-based approach to ecosystem restoration and continues to integrate science into all Program activities including:

- Collaborative actions with Science Program.
- Direct involvement of the Chief Scientist in developing the Draft Stage I Implementation Plan, Proposal Solicitation Package, and proposal review and project selection process.
- Technical and scientific review of project proposals.
- Support of scientific workshops.
- Support of the 12-member Independent Science Board (ISB).
- Program review and support from the Agency/Stakeholder Ecosystem Team (ASET).
- Review of the Strategic Plan for Ecosystem Restoration by the ISB.
- Evaluation of progress toward achieving the ERP/MSCS ROD milestones.

To continue to emphasize a science-based approach to implementation, the ERP will:

- Continue to work with the ISB, Science Program, and ASET to update the peer review process used in PSP.
- Work on performance measures.
- Support continuation of the adaptive management forums on the Merced and Tuolumne rivers and Clear Creek.
- Continue the bi-monthly brown-bag science and restoration seminars;
- Continue planning.
- Begin implementing adaptive management experiments developed with the assistance of the ISB.
- Support further development of a mercury study strategy.
- Begin studies of the feasibility of restoring salmonids to the Upper Yuba River system.
- Fund ~\$10M scientific studies to support restoration, selected in competitive process.
- Support science blueprint from Proposition 204.

Environmental Water Account

Primary Tasks

- Acquire water and power assets and maintain ESA water supply commitments by May 2003
- Integrate EWA into the CVP/SWP 02/03 Operations Plan
- Complete EIR/EIS
- Conduct annual science review
- Make Tier 3 water assets operational

Science

The science panel conducts a review of EWA's activities during the fall. The science panel's review of EWA will be coordinated with the science work plan.

Watersheds

Primary Tasks

- Develop watershed implementation plan
- Conduct a grant program and selection process
- Education and outreach to local communities through the BDPAC Watershed Subcommittee
- Continue refinement of a comprehensive set of performance measures

Science

- Continue to work with Science Program to refine program performance measures and establish metrics to begin measurement of performance.
- Seek Science support for peer review of selected project proposals and development of implementation plan.
- Seek Science Program assistance to conduct independent science review of select project proposals.

Drinking Water Quality

Primary Tasks

- Work to build capacity in lead agencies to assume implementation role
- Complete drinking water quality strategic plan through the DWQ Subcommittee
- Implement a monitoring and data assessment program and continue work on development of quantifiable performance measures
- Develop a strategy for meeting South Delta water quality standards

- Complete Phase 2 of the Bay Area Water Quality and Water Supply Reliability Program (formerly known as BABE)

Stage 1

Adjustments/Changes from ROD

- Recirculation recommendation, due December 2002 from the DWR/USBR, will be delayed until December 2003.

Science

- Science and DWQP are jointly developing the monitoring and assessment program for water quality, including performance measures.
- Science and DWQP are conducting a number of joint studies (e.g., white papers on arsenic in groundwater, organic carbon, salinity).
- Science was invited to participate in the SWRCB RFP selection panel, and will help appoint ROD-required year 3 expert review panel.

Levee System Integrity

Primary Tasks

- In conjunction with the Science Program, establish program performance indicators
- Initiate Risk Assessment Study
- Continue projects funded from prior years
- Coordinate with USACE, Ports and others to obtain dredge material to the limits of funding from prior fiscal years
- Continue emergency response coordination, including MOU for mutual cooperation with California Department of Forestry
- Recruit and hire CALFED Levee Program Manager

Science

Science review is a part of the CALFED Levee System Integrity Program. The Bay-Delta Public Advisory Committee Delta Levees Subcommittee has provided a number of questions dealing with work windows and their effect on endangered species to the CALFED Science Program.

Additional support for CALFED science element is included in two subsidence studies, the fish monitoring program on Decker Island, and in program support of the CALFED Flooded Island Study.

Science Program-wide

Primary Tasks

- Continue to advance the best science practices including workshops, peer review and expert panels
- Establish a Program-wide science board
- Focus research, monitoring, and adaptive experiments around “signature projects”
- Continue to refine performance measures at the project, program, and landscape level
- Sponsor the CALFED Science Conference in 2003
- Promote scientific collaboration through the Science Consortium and on-line science journal

Program Oversight and Coordination

Primary Tasks

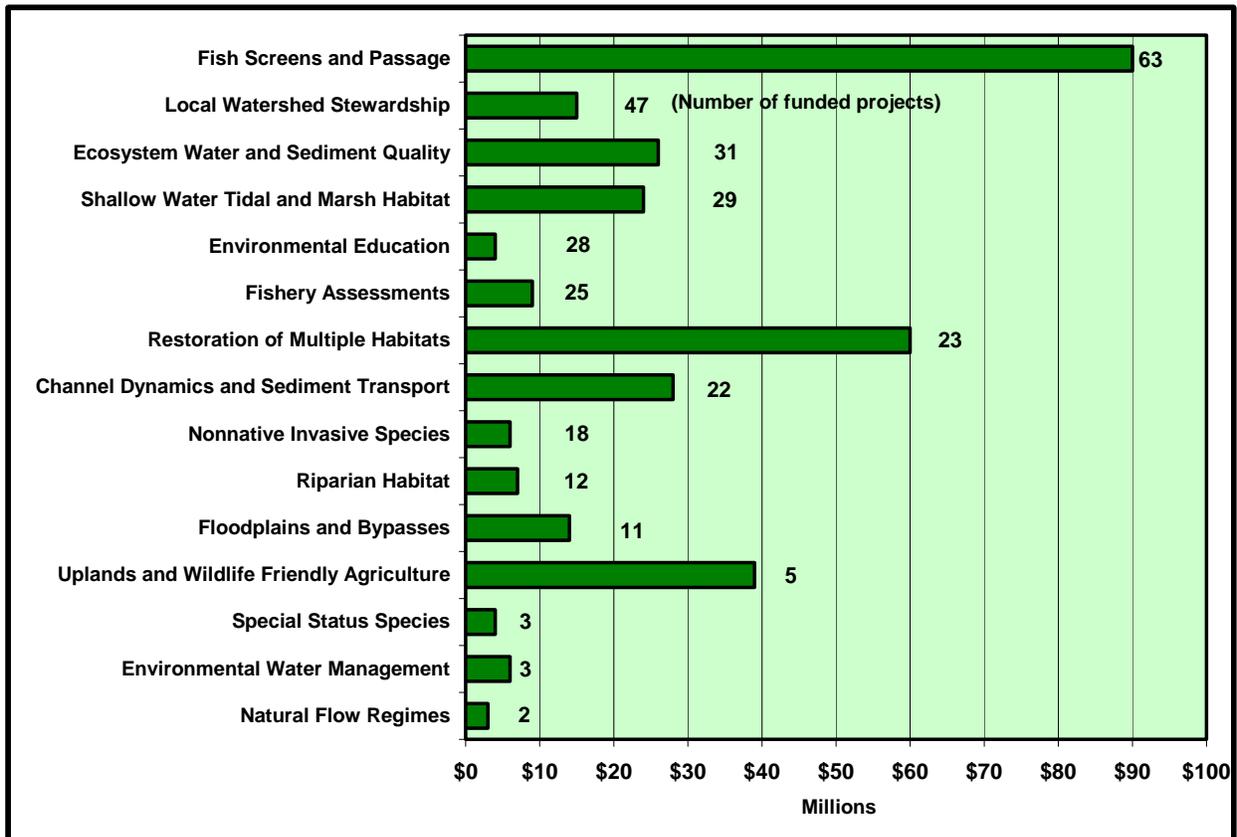
- Prepare an annual report including Program balancing
- Transition from interim to long-term governance
- Expand regional coordination, identify coordinators for each region and continue development of regional goals, strategies and plans
- Continue to improve and streamline business practices
- Provide continued litigation support
- Increase activities for finance plan and water management strategy
- Develop a work plan for the finance plan
- Continue to refine Program tracking activities
- Continue development of the Working Landscapes Program
- In coordination with the Federal agencies, develop a more inclusive cross-cut budget

Attachment 1 – Additional Information on ERP Accomplishments
Types and number of restoration projects funded by the ERP through June, 2002
(Does not include projects from 2002 PSP)

<i>Type of Project</i>	Number of Projects	Percentage of Total	Total \$ (in millions)
Restoration of Multiple Habitats	23	7	60
Shallow Water Tidal and Marsh Habitat	29	9	24
Floodplains and Bypasses	11	3	14
Riparian Habitat	12	4	7
Channel Dynamics and Sediment Quality	22	7	28
Uplands and Wildlife Friendly Agriculture	5	2	39
Fish Screens and Passage	63	20	90
Fishery Assessments	25	8	9
Ecosystem Water and Sediment Quality	31	10	26
Environmental Water Management	3	1	6
Natural Flow Regimes	2	1	3
Nonnative Invasive Species	18	6	6
Special Status Species	3	1	4
Local Watershed Stewardship	47	14	15
Environmental Education	28	9	4
Total	322		\$335

- Through July 2001, ERP allocated \$335 million to 322 projects.
- Most fund allocations were for terrestrial and aquatic habitat protection and restoration activities, accounting for approximately \$172 million of the total allocations to date.
- The ERP also invested significant dollars (\$90 million) in improving fish passage (both upstream and downstream) through designing and constructing new fish screens and ladders, as well as removing several dams. Much of this activity targeted helping at-risk fish species, particularly salmonids.
- Approximately 60 percent of the ERP project investments were in the Sacramento River and Delta and East Side Tributaries ecosystem regions.
- The remaining projects are relatively evenly distributed among the three other CALFED regions (Bay, San Joaquin River, and Entire Bay-Delta Watershed).

Types and number of restoration projects funded by the ERP through June, 2002
(Does not include projects from 2002 PSP)



As a result of the “Look Back” exercises that took place during Year 2, the consultants identified several ERP accomplishments. Highlights of ERP funded accomplishments include:

- 58,300 acres of habitat proposed for protection, including 12,000 acres dedicated to wildlife friendly agriculture and 16,000 acres of floodplain¹;
- 39,000 acres of habitat proposed for restoration, including 9,500 acres of shallow water tidal and marsh habitat²;
- 63 miles of instream habitat proposed for protection and/or restoration;
- 93 miles of riparian corridor proposed for protection and/or restoration;
- 72 fish screens accounting for an additional 2,565 cfs of diversion capacity;
- 15 fish ladders and 10 dam removals to provide better upstream passage;
- 31 projects involving analysis of environmental water and sediment quality;
- 18 projects intended to specifically address nonnative invasive species; and
- 75 projects supporting local watershed stewardship and environmental education.

¹ Preliminary, subject to revision. Habitat Protection = Acres of land proposed for acquisition, either in fee title or easement, for the purposes of protecting habitat and/or restoring ecological processes. Proposed flood plain acquisitions are included.

² Preliminary, subject to revision. Habitat Restoration = Acres of habitat proposed for physical restoration. This category may represent a variety of habitat types, including shallow water tidal and marsh habitat, riparian habitat, and upland habitat. In some cases, these lands are the same land proposed for acquisition (or some portion thereof). In other cases restoration is proposed on private lands or lands already in public ownership where acquisitions are not required. Flood plain areas are not included in this category. Flood plain areas are treated separately from habitat restoration areas because they are not treated as a specific habitat type in the ERP, but rather are identified as critical components for restoring ecological processes.

**CALFED Bay-Delta Program
Year 3 Funding
(\$ in millions)
September 16, 2002**

Program Element	Total Year 3 Funding	FY 2002-03 State Funding (Final) ¹						FY 2003 Federal Funding (Proposed)					User/Local Funding ⁶			
		GF	Prop 204 ²	Prop 13	Prop 50	Other State ³	State Subtotal	Bay-Delta ⁴	USBR W&RR	USACE	Other Fed ⁵	Federal Subtotal	SWP	CVPIA RF	Local (est.)	User/Local Subtotal
Ecosystem Restoration	\$182.5	\$3.2	\$126.8	\$10.0			\$140.0		\$0.6	\$0.6		\$1.2	\$7.3	\$17.5	\$16.5	\$41.3
Environmental Water Account	\$44.2	\$0.9	\$28.2				\$29.2	\$15.0				\$15.0				
Water Use Efficiency	\$302.1	\$4.2		\$44.9	\$10.0	\$1.9	\$61.0		\$18.1			\$18.1			\$223.0	\$223.0
<i>Water Conservation</i>	\$46.7	\$4.2		\$27.4		\$1.9	\$33.5		\$2.2			\$2.2			\$11.0	\$11.0
<i>Water Recycling</i>	\$255.4			\$17.5	\$10.0		\$27.5		\$15.9			\$15.9			\$212.0	\$212.0
Water Transfers	\$0.6	\$0.6					\$0.6									
Watershed	\$33.1	\$2.5		\$10.0	\$20.6		\$33.1									
Drinking Water Quality	\$34.7	\$2.1		\$12.1	\$20.5		\$34.7									
Levees	\$7.3	\$3.9					\$3.9			\$0.1		\$0.1	\$0.3		\$3.0	\$3.3
Storage	\$109.6	\$12.4		\$89.7			\$102.1	\$7.5				\$7.5				
<i>Surface</i>	\$16.2	\$8.7					\$8.7	\$7.5				\$7.5				
<i>Groundwater & other</i>	\$93.4	\$3.7		\$89.7			\$93.4									
Conveyance	\$53.3	\$2.5		\$19.9			\$22.4	\$5.0	\$2.0			\$7.0	\$18.9	\$5.0		\$23.9
Science	\$19.3	\$3.3		\$2.0		\$1.2	\$6.5		\$4.0		\$1.1	\$5.1	\$6.2	\$1.3	\$0.2	\$7.7
<i>CALFED Science</i>	\$2.7	\$2.7					\$2.7									
<i>IEP</i>	\$14.6	\$0.6				\$1.2	\$1.8		\$4.0		\$1.1	\$5.1	\$6.2	\$1.3	\$0.2	\$7.7
Oversight & Coordination	\$13.2	\$10.6					\$10.6	\$2.5		\$0.1		\$2.6				
Total	\$799.8	\$46.1	\$155.0	\$188.6	\$51.1	\$3.1	\$444.0	\$30.0	\$24.7	\$0.8	\$1.1	\$56.5	\$32.7	\$23.8	\$242.7	\$299.2

¹ The State General Funds are likely to be reduced due to eliminating vacant positions and a 5% funding reduction in 02-03

² The amount of Prop 204 included in the Governor's budget will be used to authorize expenditures for both prior year commitments and new grant awards/projects.

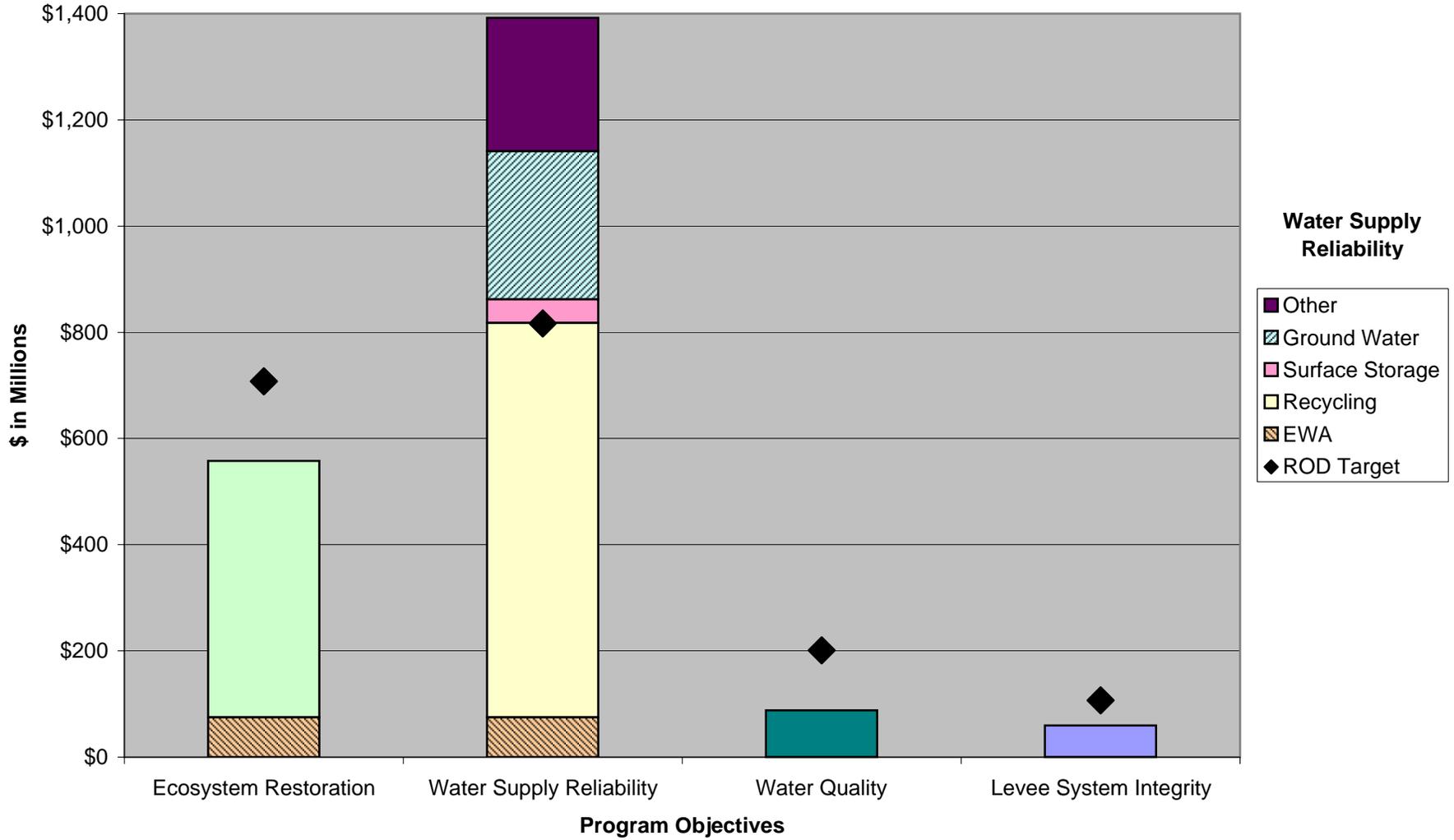
³ Includes DWR funds (\$1.9m) that contribute to the Water Conservation Program, and Interagency Ecological Program (IEP) funding (\$1.2m) from various departments that contributes to the Science Program.

⁴ Total reflects the amount in Senate appropriation bill.

⁵ Includes IEP funding from U.S. Fish & Wildlife Service, U.S. Geological Survey, National Marine Fisheries Service, and U.S. Environmental Protection Agency that contributes to the Science Program.

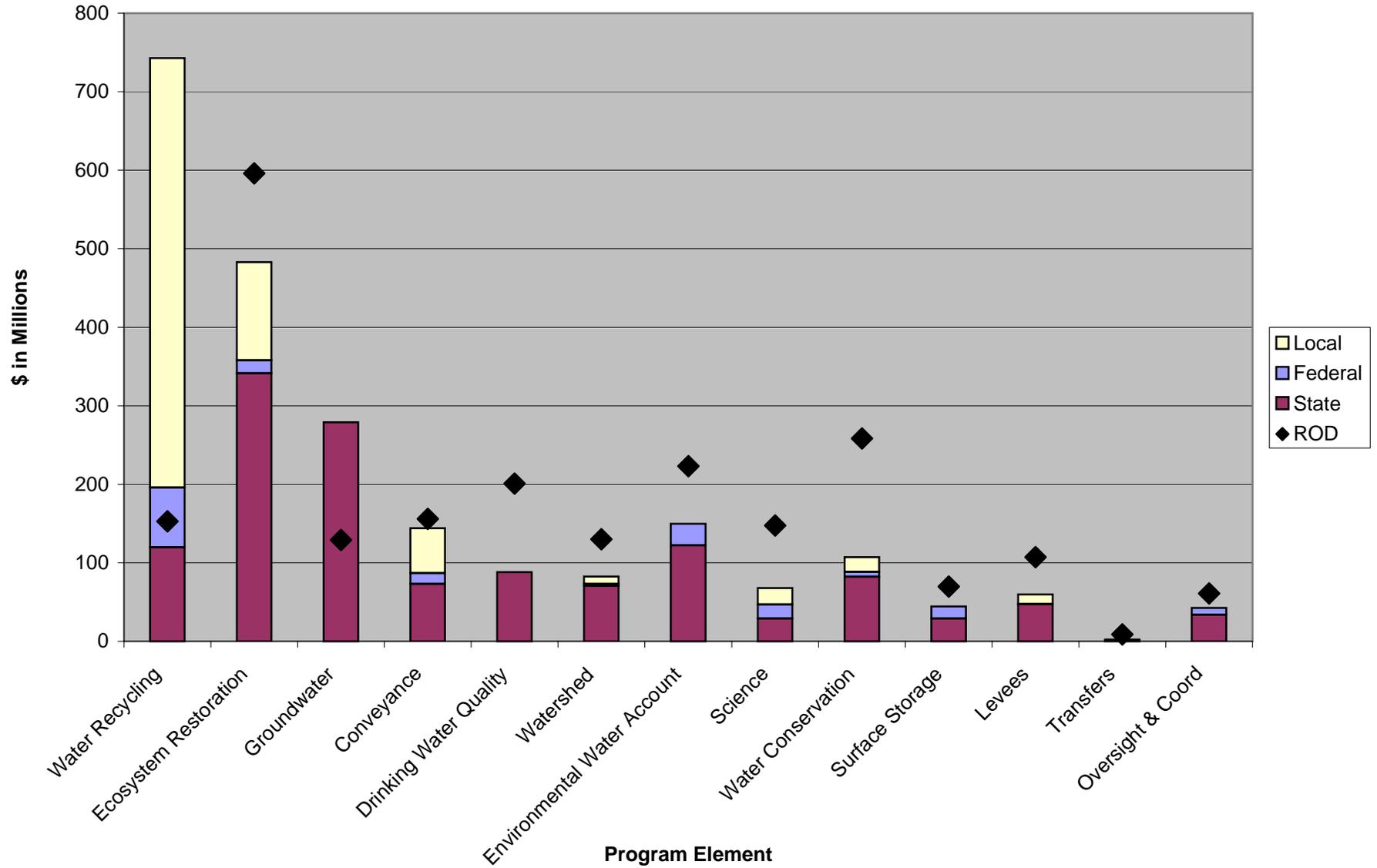
⁶ User subtotal includes State Water Project Funds and CVPIA Restoration Funds that are collected from state water contractors and Central Valley Project water users, but are budgeted and appropriated through the federal and state governments. ERP and WUE amounts include estimates for local cost sharing for grant projects. WUE amount also includes local cost sharing for federal Title XVI recycling projects. Levees amount includes local cost share for levee subventions. Science amount is SWP and other local contributions to the IEP. Additional local contributions in other program areas will be estimated as information is available.

Cumulative Funding for CALFED Program Objectives Years 1-3



Agenda Item 3b

Cumulative CALFED Funding Years 1-3



Subcommittee Recommendations
California Bay-Delta Public Advisory Committee (*Adoption*)
& **CALFED Bay-Delta Program Policy Group** (*Action*)

Recommendations accepted for consideration on September 19, 2002, by California Bay-Delta Public Advisory Committee:

Drinking Water

State Water Resources Control Board and Central Valley Regional Water Quality Control Board address drinking water quality issues when implementing SB 390 (agricultural discharge waivers). CALFED agencies are considering this recommendation.

CALFED Bay-Delta Program incorporate “Equivalent Level of Public Health Protection” (ELPHP) conceptual framework into the Drinking Water Quality Program. The Program incorporated the ELPHP framework into the Year 3 work plan.

Environmental Justice

Subcommittee’s Environmental Justice Work Plan be integrated into the CALFED Bay-Delta Program. The Program incorporated work plan tasks into the Year 3 work plan to the extent feasible, given funding and resource constraints. The environmental justice coordinator will develop a strategy for addressing the outstanding tasks.

Water Use Efficiency

CALFED Policy Group adopt Agriculture Water Use Efficiency Milestones staff proposal. The agriculture milestones will be used as the benchmark for the annual Program assessment.

CALFED Policy Group adopt Urban Water conservation Certification staff proposal. Year 3 work plan calls for refining framework.

Committee received written recommendation from Subcommittee in September 19, 2002, meeting packet:

Working Landscapes

CALFED agencies adopt recommended goals and high priority actions. Ecosystem Restoration and Oversight and Coordination Year 3 work plans address goals and high priority actions.

New Recommendation:

Ecosystem Restoration

CALFED agencies adopt desired year 3 outcomes for Ecosystem Restoration Program (see attached positions from subcommittee chairs). Outcomes addressed in Year 3 work plan.

Working Draft:

Desired Ecosystem Restoration Program (ERP) outcomes: Year 3

Prepared by the Ecosystem Restoration Subcommittee of the California Bay-Delta Public Advisory Committee

October 23, 2002

This working draft describes desired outcomes for Year 3 of ERP implementation. The Subcommittee will work on an ongoing basis to provide recommendations to BDPAC and CALFED on how to best achieve these desired outcomes. The Subcommittee recognizes that decisions regarding governance, budgets, and other matters may affect achievement of these desired outcomes or result in their modification in future iterations.

Process

Broaden and deepen ERP planning and performance evaluation functions:

- a. Refine the process for establishing regional strategies and local partnerships to implement the ERP throughout all ERP regions, incorporating this information into the draft Stage 1 Implementation Plan, and develop a draft regional implementation plan for at least one region in Year 3, two in Year 4, and ramping up thereafter.
- b. Complete phase 3 of the "look-back" exercise for all projects.
- c. Refine and quantify ecosystem performance metrics, refine management hypotheses, and develop an adaptive management decision-making process to modify future implementation actions and strategies, using a science-based approach similar to the "core team" approach used in developing the ERP Strategic Plan for Ecosystem Restoration and overseen by the ERP's Independent Science Board and the CALFED Science Program.

Implementation

Achieve incremental CALFED Programmatic Record of Decision (ROD) ERP commitments and Multi-Species Conservation Strategy (MSCS) milestones for ecosystem restoration and species recovery in all categories, including the following quantitative targets (subject to the science-based adaptive management process):

- a. Acquire up to 45,000 acre-feet of water in upstream tributaries by the end of year 3, and acquire at least 15,000 acre-feet per year for the remainder of Stage 1 toward achieving the ROD target of 100,000 acre-feet per year by the end of Stage 1, using a science-based approach that focuses on purchase of water and/or water rights in at least three high priority watersheds.
- b. Protect, enhance, or restore up to three-sevenths of the Stage 1 habitat acreage targets by the end of year 3, and protect, enhance, or restore at least one-seventh of the Stage 1 acreage targets per year for the remainder of Stage 1 toward achieving ROD and ERP targets and MSCS milestones for protecting, enhancing, or restoring each of the habitat types in each of the ecological regions, zones, or units for which numeric targets exist.

Funding

Pursue long-term ERP funding options:

- a. Develop continuous funding support for ERP implementation, sufficient to achieve ERP objectives and ROD commitments.
- b. Allocate a portion of ERP funds to the Environmental Water Program, sufficient to achieve ERP objectives and ROD commitments.
- c. Develop state legislation to create a broad-based user fee that will generate approximately \$35 million annually to support the ERP, as described in the ROD.

Administrative

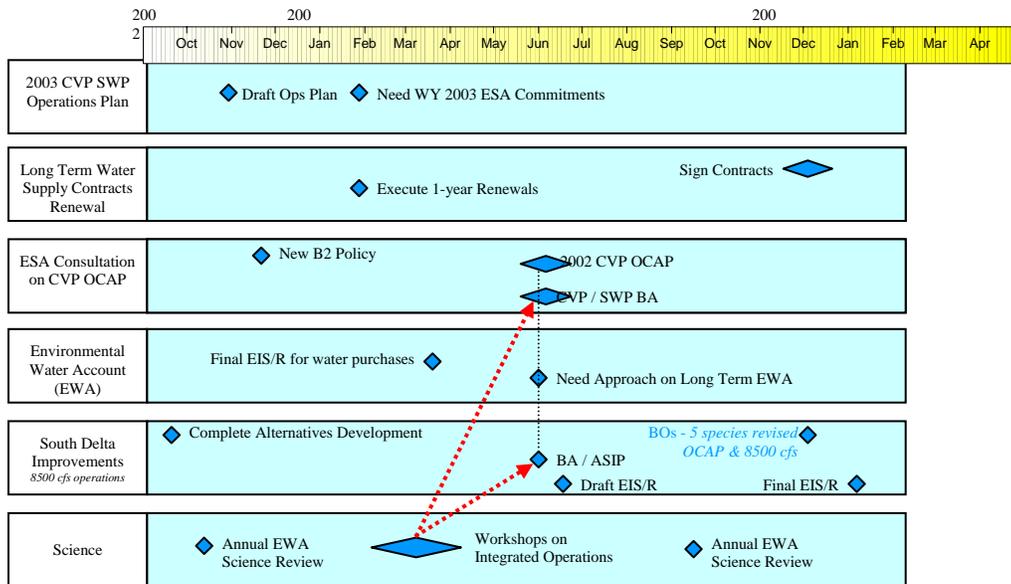
Allow the ERP to more directly and more effectively manage its administrative responsibilities:

- a. Aim for full staffing of ERP staff positions and CALFED agency staff positions supported through ERP-related budget authorities.
- b. Allow the ERP Manager to manage and direct all ERP staff and activities and CALFED agency staff and activities supported through ERP-related budget authorities as a single unit.
- c. Solve the contracting bottleneck, and execute contracts no more than six months after contract decisions are made.

**The Minority Position
is expected to be available at
the meeting.**

Integrated Key Milestones

Rev. 10-15-02



Near Term Actions by CALFED Agencies that would benefit from Independent Science Board Input on Science Issues

9/23/02

Introduction

CALFED agencies are involved in numerous activities that affect the Bay-Delta Ecosystem. Several of these activities are converging over the next year or so. The results of these activities will set the operating rules in the Bay-Delta Estuary for the next several years. The CALFED agencies would greatly benefit from a coalescence of the science behind the factors that affect the biological systems in the Bay-Delta Estuary. The last comprehensive review of this type was done in 1994. An update on our collective knowledge of the conceptual models of how the ecological system works for certain key species and how the factors we can modify affect these species is needed. This information will assist the agencies in CALFED as they chart new paths to protect the Bay-Delta Ecosystem while increasing its utility to provide water supplies for the State.

One mechanism to accomplish this is the completion of the white papers that are now under development to the point that a useful summary of their findings can be made by scientists involved in the Independent Science Board (ISB) process. The exact development of this review is under consideration by the members of the ISB. The purpose of this paper is to outline the activities that are coming together in the next year or so that make this review of existing science timely.

Converging CALFED Agency Activities

- New Policy on b(2)

Court decisions in 2001 and early 2002 provided new interpretations to the accounting methods used to calculate water use for fishery protection under section 3406(b)(2) of the Central Valley Project (CVP) Improvement Act. The general direction provided by the court results in fewer fish protection actions available under b(2) than has been the case in the last few years. The

Department of Interior proposes to develop a new b(2) policy by December 2002. This court decision and the new b(2) policy is seen by the Fishery Agencies as a reduction in the CALFED baseline. The result has been a desire of the Fishery Agencies to find ways to retrieve the protections lost under the court decision and the new b(2) policy. One mechanism that was used last year was to increase the Environmental Water Account (EWA) water purchases to make up for some of these losses. This has a direct effect on EWA. The Project Agencies have questioned whether this decrease in b(2) assets is significant enough to affect the baseline of protections and whether other CALFED programs should be called upon to make up for these perceived losses.

- Settlement Process for Phase 8 of the Bay-Delta Water Right Hearings

The last phase (Phase 8) of the State Water Resources Control Board's Bay-Delta water rights hearings deals with the responsibilities of Sacramento Valley water users to assist the State Water Project (SWP) and CVP in meeting water quality standards in the Delta. Rather than proceed with a contentious water right hearing on this issue that could degrade into a general adjudication of the Sacramento Valley, the parties have engaged in a settlement process. This process has been successful and is nearing completion. The settlement process will likely result in additional water supplies being made available by Sacramento Valley users to help meet Delta standards. This assistance in meeting Delta standards will partially compensate for the loss of water supplies by the CVP and SWP when they agreed to meet the new standards in the 1995 Water Quality Control Plan and Water Right Decision 1641.

The net result of this assistance is that the CVP and SWP will regain some of their lost water supplies and allow them to export or store additional water supplies. This increase in water supply to both projects is expected to total 185 taf of water made available generally in the summer months. The export of this additional water could affect EWA's ability to export its water at SWP facilities and will generally increase summer exports.

- Increase in SWP Banks Pumping Capacity to 8,500 cfs

The current rated capacity at the SWP Banks Pumping Plant is 10,300 cfs. However, due to administrative conditions the average export limit is 6,680 cfs except in certain limited circumstances. One of the CALFED recommendations

was to increase Banks Pumping capacity to 8,500 cfs by 2003. The increase in export capacity has many possible effects on fish in the Bay-Delta Estuary. The new operating rules for Delta pumping are under development in a facilitated stakeholder process. A decision on the 8,500 cfs Banks capacity is expected in the fall of 2003.

- Operations Criteria and Plan (OCAP) and Biological Opinions

The OCAP is the project description for the biological opinions that have been issued under the Federal Endangered Species Act for the CVP and SWP. It defines how the two projects operate together in the Bay-Delta Watershed. The last OCAP and biological opinions were done in 1994 and 1995. The OCAP stays in place until there is a major change to the project. The increase of Delta Banks pumping to 8,500 cfs is a major change in the project. Therefore, there is a need for a new OCAP that includes 8,500 cfs and several of the activities discussed in this paper along with new biological opinions for the CVP and SWP. The basis of the Biological Opinions is the “best available science.” This science is used by the Project Agencies to prepare biological assessments. These biological assessments are reviewed by the Fishery Agencies to develop the biological opinions that, in effect, set forth many of the operating rules for the CVP and SWP. These rules can include either prescriptive operations or adaptive management operational rules. The biological opinions also contain incidental take statements that identify the allowable loss of endangered species by the SWP and CVP.

- Long-Term Contract Renewals of the CVP

Water supply contracts to water users of the CVP in the Sacramento Valley were signed over 40 years ago. These contracts are coming due for renegotiation. The Department of Interior believes that new long-term contracts cannot be signed until there is a long-term biological opinion on the water supply operations of the CVP. Therefore, a new biological opinion is needed. The OCAP process, discussed above, could serve as a mechanism for this biological opinion. The concern is timing. The CVP and their contractors desire to complete negotiations soon on these new contracts. They would like these contracts signed in early 2003.

- Long-Term EWA

The Environmental Water Account was established in the CALFED Record of Decision as a compromise to provide additional fishery protection at no uncompensated costs to the SWP and CVP. The EWA was intended to have an initial four-year trial period funded by public funds, after which time, decisions would be made on what form, if any, EWA would continue. In its first two years, EWA has managed over 550 taf of additional export cuts to better protect fish species in the Delta at a cost of about \$90 million. As year three approaches, both the Fishery and Project Agencies need to decide with the Stakeholders if, and in what form, EWA should continue past year four. An EIR/EIS for EWA is being prepared and will be released in draft form the fall of 2002, and finalized in April and May of 2003. The EIR/EIS will cover the range of actions that EWA may take in the future. In order to make the adjustments to funding, discussions need to begin this spring with a final decision by the spring of 2004. The advent of 8,500 cfs Banks capacity can place additional burdens on EWA, and it can also provide it with additional assets and summer pumping capacity. The Phase 8 process can take some of those benefits away, and the new b(2) policy can affect the size of the needed EWA in the future. All these factors, along with the efficacy of Delta actions to protect fish species, need to be evaluated. The ISB could help most by reviewing the conceptual models that lead to the EWA in the first place and to advise the CALFED agencies if this or other models should be used in deciding on the continuation of EWA and the form EWA should take in the future.

AGENDA ITEM 5
ATTACHMENT 7
CALFED BAY-DELTA PROGRAM
STORAGE SCHEDULE

[CLICK HERE FOR JPG FORMAT](#)



1416 Ninth Street, Suite 1155
Sacramento, California 95814

(916) 657-2666
FAX (916) 654-9780
<http://calfed.ca.gov>

Memorandum

Date: November 25, 2002

To: California Bay-Delta Public Advisory Committee and
CALFED Policy Group

From: Sam Luoma
Lead Scientist

Subject: Agenda Item 6: Lead Scientist's Report – (*Discussion*)

At the meeting on December 4, 2002, I will review progress to date and activities for Year 3 (Attachment 1). The CALFED Science Program is also developing a proposal for using Proposition 50 funds to support Science Program activities for years 4 through 6 (see related materials for Agenda Item 7). I will review the types of projects to be supported by these funds. I will also review progress on CALFED Program performance measures and provide an update on the CALFED Science Board and National Academy of Sciences review.

Attachment

CALFED Agencies

California

The Resources Agency
Department of Water Resources
Department of Fish and Game
The Reclamation Board
Delta Protection Commission
Department of Conservation
San Francisco Bay Conservation
and Development Commission

California Environmental Protection Agency
State Water Resources Control Board
Department of Health Services
Department of Food and Agriculture

Federal

Department of the Interior
Bureau of Reclamation
Fish and Wildlife Service
Geological Survey
Bureau of Land Management
Environmental Protection Agency
Army Corps of Engineers

Department of Agriculture
Natural Resources Conservation Service
Forest Service
Department of Commerce
National Marine Fisheries Service
Western Area Power Administration

Science Program Assessment and Work Plan Year 3 Executive Summary

This summary highlights two aspects of the Science Program's substantive activities for Year 3 (many of which follow actions begun in Year 2): priority issue areas, the relationship between CALFED-wide science activities undertaken by the Program and science activities needed within each program area.

Priority Issues for Year 3

The Science Program has been and will continue to focus on the following issue areas during Year 3:

- Water Operations and Biology in the Delta--Science Issues
- Performance Measures
- Signature Adaptive Management Projects
- Improving Monitoring Capabilities
- Restoration Science--Adaptive Management Approach
- Collaborative Science--Bay-Delta Science Consortium
- Ongoing Program Communication
- Science within CALFED Programs

The Program is using a standard approach for integrating science, whether it be by the Science Program for the issues listed above, or the approach we are recommending to each program to strategically meet information needs and evaluate program performance. The approach is as follows: Key questions are first identified by staff, stakeholders and key science advisors. These questions express the most basic assumptions about the issue or program. Experts will then help describe the status of knowledge--what is known and not known and the relative importance of different factors--associated with those management questions. These experts can be engaged in a number of different ways, including authoring white papers, participating in review workshops, and serving on review panels to accomplish this task. CALFED staff and selected expert advisors then use the information on the state of knowledge to produce an agenda of scientific needs (as in the Ecosystem Restoration Program Annual Plan) and begin the process of soliciting proposals to meet those needs. CALFED uses a combination of a broad call for proposals (Proposal Solicitation Process) and invites proposals for needs not met after a broad call is completed. Regardless of the solicitation method, proposals are selected using a peer review process and are then funded. Results from all science activities are fed back to managers and CALFED staff via publications, white papers, workshops, briefings, web publication, seminars, and the CALFED Science Conference. Adaptive feedback is accomplished by making all review outcomes public and using recommendations to advance the progress on the issue, program, or project (e.g., Environmental Water Account.)

Maintaining this process over time provides not only ongoing review of complex projects and program elements, but serves as a mechanism for providing the most recent scientific information to managers.

This approach is outlined in Figure 1 and has been provided to all individual programs. A detailed list of activities and studies, for each issue, and planned for Year 3, is attached to this summary (Attachment A).

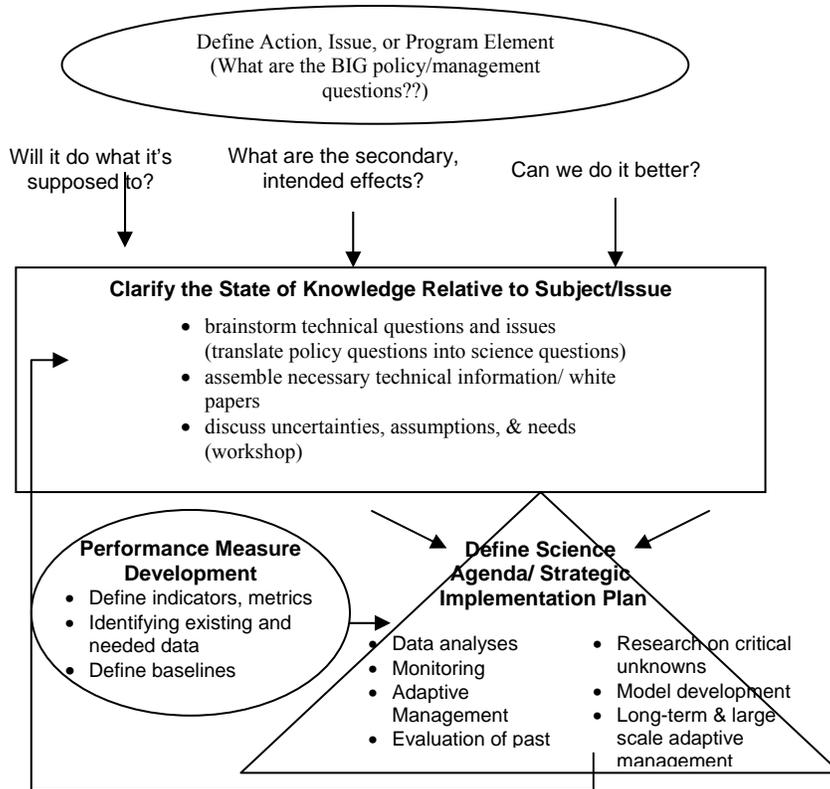


Figure 1: Adaptive Approach for Integrating Science across Issues and Programs

The status of scientific activity in each of the different issue areas ranges from those where questions are just being identified (Battle Creek), to where an information flow and review strategy is established and a strategic plan is being developed (Delta issues and performance measures), to issues where studies that implement that plan are underway (restoration science).

Science Across CALFED and Science within Each Program

The Science Program is focusing on large-scale issues that cut across multiple program elements and regions. Within each program area, however, there are also specific science and project technical needs including:

- peer review of specific study designs, proposals submitted through proposal solicitations (PSPs), and final technical products
- balanced and unbiased descriptions of the state of science relative to a specific issue
- identifying critical unknowns needed to assess program performance or define classes of activities needed to reach program goals
- specific data analyses and monitoring needed to support performance assessment

For example, the storage program is applying these scientific approaches to ensure its feasibility and environmental impact studies use the best available scientific information and to identify the strengths and weaknesses of one of its core tools (Department of Water Resources’ CALSIM II model). The Drinking Water Quality Program is applying these approaches to develop a monitoring strategy that will feed into an overall assessment of program performance.

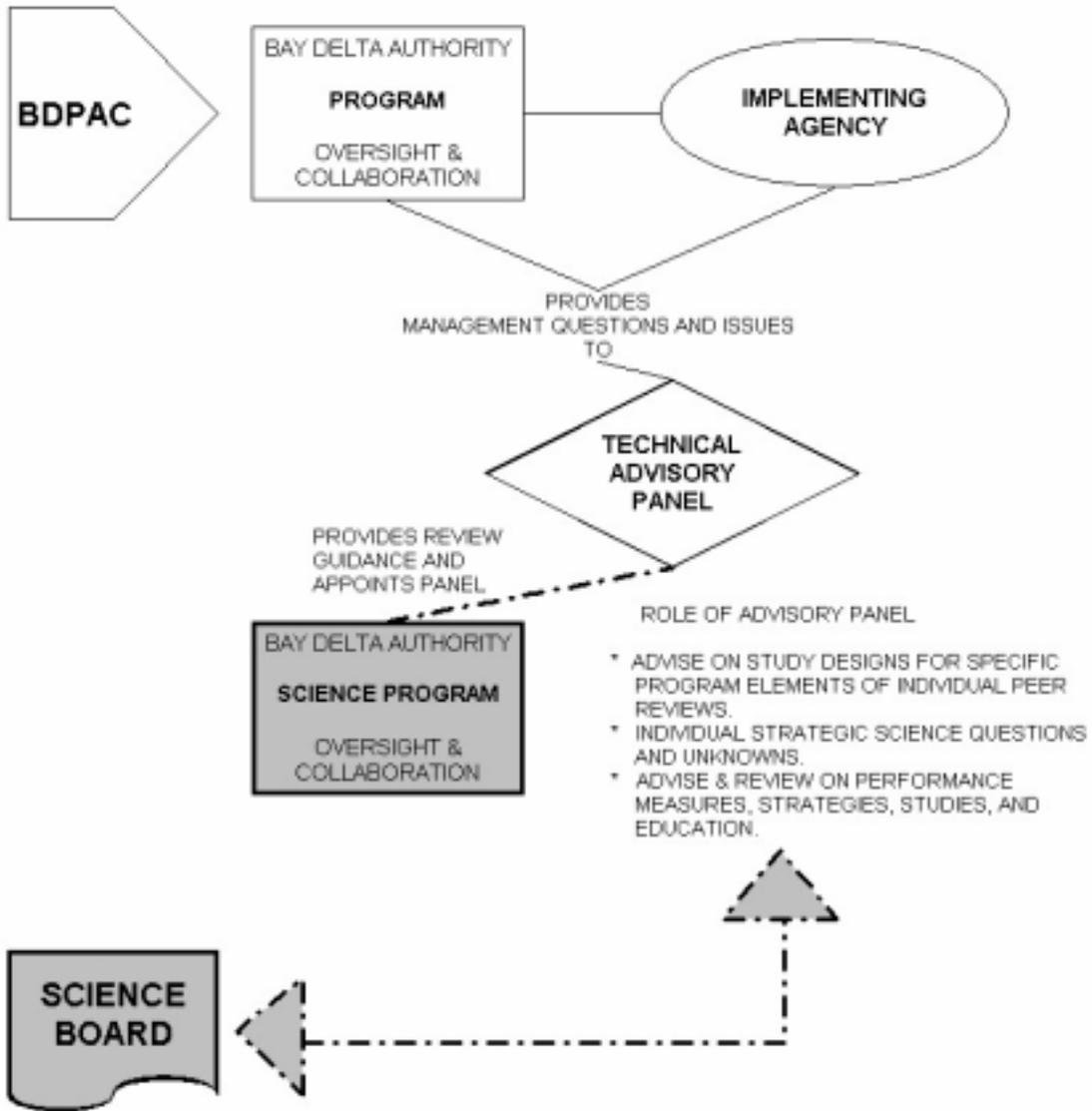
A summary of scientific tasks currently being undertaken by individual programs is listed under “Program-Specific Science” in Attachment A.

The following table outlines the distinction between the scientific activities that will be supported and carried out by the Science Program, and those that should be carried out within individual programs.

Science Program	Individual Programs
CALFED-wide Science Board, expert panels examining cross-program issues and studies, National Academy of Science reviews of science throughout CALFED	Support Program-specific science advisors
Conduct reviews of programs, large-scale activities cutting across program areas, advise on peer review in PSPs, and facilitate inclusion of outside experts	Conduct peer review of specific studies and tools, include peer review in PSP selection process
Develop science agendas for cross-cutting issues, implement agendas by funding regional and large-scale monitoring gaps, signature projects, intensive multidisciplinary studies, and research aimed at building knowledge	Develop strategic science agendas specific to program assessment, fund studies and monitoring to implement agendas
Support multiple communication tools and arenas, including online journal, science conferences and forums	

The science advisors appointed to work with each program (collaboration between the program and CALFED Science Program to determine who and help frame their charge) will be integrated into the overall structure of standing expert panels and Science Boards.

Program Organization



Science Organization

Attachment A: Summary of Science Activities: Year 3

Water Operations and Biology in the Delta: Science Issues

- Studies & Monitoring Underway
 - Effects of toxicants on juvenile salmon--reconnaissance study in south Delta to see if effects can be detected
 - Fundamental hydrodynamic and transport mechanisms in the Delta
 - Genetic identification methods for spring run Chinook salmon in the Sacramento watershed
 - Replaced in-situ flow monitoring equipment in the Delta
 - The spatial ecology and population dynamics of Delta Smelt revealed by otolith biogeochemistry
 - Delta Cross Channel studies (funded initial year, cost-shared with Conveyance Program)
 - IEP fish presence, abundance, and location data--identifying patterns and controlling processes
 - Interpretation of larval fish data: Sponsored symposium and edited publication of papers
- Workshops and Reviews
 - Water Management workshop: population-level effects
 - Salmon and EWA water management workshop
 - Delta smelt workshop
 - Evaluate implications of climate variability and climate change for water management and proposed CALFED actions
 - Review of Delta Cross Channel proposals and progress
 - Workshop on resource valuation
 - Develop synthesis of knowledge relevant to converging issues on water operations and environmental management in the Delta and hold related workshop(s)
 - EWA Technical Review
 - Convene annual review by independent panel and issue report
 - Publish summaries of year's activities, justifications, and summaries of workshops
- Science Agendas and White Papers
 - Delta Smelt research agenda--sponsored development of a multi-organization IEP project work team and complete agenda for science needs both for IEP and for PSP
 - Complete Delta Smelt white paper
 - Complete Salmonid white paper
 - Improving science underlying water operations: initiate process of selecting and starting studies using science agenda developed in Year 2 as basis for PSP
 - Determining effectiveness of Delta fish screens in the broader ecosystem context: initiate PSP and select studies to improve science linking take to ecosystem conditions and populations

Performance Measures

- Expand to a white paper the philosophy, process, and formats used for CALFED performance measures
- Produce annual report on progress in developing performance measures for CALFED and CALFED programs
- Using ERP as a model, characterize and justify metrics, and interpret trends, in an initial set of key indicators
- Began development of a conceptual model for evaluating changes in supply reliability at different scales associated with CALFED actions
- Providing expert advisor to help each program develop and use performance measures
- Establish peer review process for selection of indicators and written explanations

Signature Adaptive Management Projects

- Stockton Ship Channel:
 - Studies & Monitoring Underway:
 - Development of long-term hydrological models in support of dissolved oxygen management in Stockton Ship Channel and San Joaquin River
 - Workshops and Reviews:
 - Expert panel for multidisciplinary review of Delta projects linked to flow and water quality changes (San Joaquin River DO)
- Battle Creek (briefly describe, paraphrase issues, as done above)
 - Begin science advisory process
 - Panel discussion of state of Science

Improve Monitoring Capabilities

- Complete aquatic monitoring white paper
- Analyses of under-exploited monitoring data
 - Collaborate with CA Sea Grant to solicit, select, and fund proposals for postdoctoral research in several issue areas
 - Collaborate with IEP to integrate peer review into the proposal-work plan development and selection process
- Review of collection, handling, trucking, and release studies for Delta Smelt (associated with salvage from diversion facilities).
- IEP-SAG review of salmon monitoring
- Replaced old real-time flow monitoring equipment in Delta
- Wetlands
 - Co-sponsor research on indicators linking toxicants to wetland ecological health-UC Davis
 - Pilot Wetlands Monitoring--organize multidisciplinary team to develop methods and conduct integrated monitoring of restoration sites from San Pablo Bay to the Delta

Restoration Science: An Adaptive Management Approach

- Studies and Monitoring Underway: Science Program-sponsored
 - Ecological evaluation of Yolo Bypass to support floodplain restoration
 - Heavy metal and mercury concentrations in bed sediments and floodplains of Clear Creek watershed
 - Invasive species in ports and harbours
 - Developing a flow and sediment transport model for channel and floodplain restoration on the Sacramento River
- Workshops and Reviews
 - Supporting statewide strategic science plan for mercury studies & coordination of CALFED mercury studies
 - Instream flow modeling workshop (Year 2)
 - Support implementation of recommendations from ERP Science Board's adaptive management workshop
 - Support ongoing expert panel review of Upper Yuba River studies
 - Workshop on floodplain restoration
- Science Agendas and White Papers
 - Sediment budget and controlling processes throughout the watershed-- putting restoration plans in the context of sediment availability
 - White paper: Progress in Delta restoration
 - Update science agendas on restoration science in each ERP region;
 - Follow-up on science agenda for shallow water habitat management in the Delta

Creation of a Bay-Delta Consortium for Collaborative Science

- Provided staff and start-up funds for the Bay-Delta Science Consortium, including planning co-location of DWR, CDFG, USFWS, and USGS scientists and field staff
- Developing criteria for collaborative proposals
- Discussing a collaborative focus on Suisun Marsh

Communication

- Initiated development of communication strategy for the Science Program
- Conferences
 - 2nd CALFED Science Conference, Sacramento, January 2003
 - Co-Sponsoring 2003 State of the Estuary Conference
 - Co-Sponsoring Pacific Climate Conference 2002
 - Co-Sponsoring Society of Environmental Toxicology and Chemistry Conference, 2002
 - Co-Sponsored AFS Early Life History Meeting, 2003
 - Co-Sponsoring American River Conference, 2002
- Educational Material
 - Scientific studies in the Delta--video
 - Water Education Foundation Delta Flow--video
- Online Science Journal

- Funded the development of a new online series devoted to publication of scientific studies on water issues in California; journal editors have accepted two manuscripts for review and the digital publication process is starting
- Fact Sheets
 - *Science in Action*: Delta Cross Channel studies fact sheet published in *Estuary*
 - *Science in Action*: Delta shallow water habitat fact sheet published in *Estuary*
 - River restoration fact sheet in progress
- Science Program Activity Reports (selected examples)
 - Presentation at Estuarine Research Federal conference on adaptive management experiments within CALFED Bay-Delta Program
 - Briefed US GAO on the structure of the Science Program
- Web Site: Initiated development of Science Program website

Program Specific Science

- Levees
 - Delta island subsidence and accretion (cost share with DWR)
 - Shallow water habitat science agenda
- Drinking Water Quality and Environmental Water Quality
 - Delta water quality: analysis of existing data to establish a baseline water quality (cost-shared with Drinking Water Program)
 - Share in developing independent science review process for PSP
 - Developing conceptual models and monitoring strategy
 - Performance measures under development
 - Funded studies
- Ecosystem Restoration Program
 - Update peer review process in PSP (ERP)
 - Fund ~\$10M scientific studies to support restoration, selected in competitive process
 - Begin performance measures
 - Adaptive management forums: Merced, Clear Creek, Tuolumne
 - Sustain science advisory board (Independent Science Board-ISB)
 - Brown-bag science/restoration seminars every month
 - Planning adaptive management experiments with ISB
 - Support science blueprint from Proposition 204
 - Statewide mercury study strategy
 - Begin studies of feasibility of restoring salmonids in Upper Yuba
- Conveyance
 - Co-sponsored peer review of North Delta flood models with Levee Program
 - Advising on technical panel for Through-Delta Facility studies
 - Supporting adaptive management Delta Cross Channel studies
- Storage
 - Continue review of portions of the Delta Wetlands technical studies
 - Initiating Process to peer review CALSIM and its applications
- WUE
 - Providing advice to WUE on defining the role of an external science review committee

- Water Management
 - Arsenic White Paper--geochemical and microbial processes, drinking water use, and potential conjunctive use issues (Water Management)
 - Butte Basin ground water and linked models (peer review and advise on process)
- Science
 - Engaged in discussions with the National Academy of Sciences and developed plans for a review of the Science Program in spring, 2003 (Science Program)

Memorandum

Date: November 25, 2002

To: California Bay-Delta Public Advisory Committee and
CALFED Policy Group

From: Patrick Wright
Director

Subject: Agenda Item 7: CALFED Bay-Delta Program Finance

Introduction

On November 13, 2002, the Steering Committee discussed with the Program a proposal for allocating Proposition 50 funding to the CALFED Bay-Delta Program budget. Committee members provided valuable comments and suggestions that will strengthen the proposal.

On December 4, 2002, the Program will review the revised proposal (Attachment 1). Revisions are based on the outcomes of the Steering Committee meeting and subsequent discussions with agencies. As part of the Program's response to the Steering Committee discussion, attachment 2 is a draft of Proposition 50 CALFED funding principles. As a result of passage of Proposition 50, the Program is in a position to consider and respond positively to subcommittee recommendations related to funding for individual program elements.

Recommended Actions

- Committee and Policy Group endorse Proposition 50 CALFED funding principles
- Committee adoption and Policy Group action on Subcommittee recommendations

Background

Subcommittee Recommendations for Committee Adoption and Policy Group Action

Recommendations accepted for consideration on September 19, 2002, by California Bay-Delta Public Advisory Committee:

Drinking Water

- CALFED agencies conduct a detailed analysis of available funds, including those from Proposition 50, to support the Drinking Water Quality Program. Program incorporated analysis in Proposition 50 funding proposal.

CALFED Agencies

California

The Resources Agency
Department of Water Resources
Department of Fish and Game
The Reclamation Board
Delta Protection Commission
Department of Conservation
San Francisco Bay Conservation
and Development Commission

California Environmental Protection Agency
State Water Resources Control Board
Department of Health Services
Department of Food and Agriculture

Federal

Department of the Interior
Bureau of Reclamation
Fish and Wildlife Service
Geological Survey
Bureau of Land Management
Environmental Protection Agency
Army Corps of Engineers

Department of Agriculture
Natural Resources Conservation Service
Forest Service
Department of Commerce
National Marine Fisheries Service
Western Area Power Administration

- Advanced treatment studies receive priority consideration by CALFED agencies. Proposition 50 includes funding for such studies and the Program's Proposition 50 funding proposal is consistent with this recommendation.

**Committee received written report from Subcommittee at June 27, 2002, meeting.
Recommendation updates the report:**

Delta Levees and Habitat

- Adopt a recommended strategy to ensure funding of the CALFED Delta Levees System Integrity Program (Attachment 3). CALFED Program and agencies are considering this recommendation.

New Recommendations:

Drinking Water

- Recommendation on allocating funding for Drinking Water Quality Program is pending.

Watershed

- Recommendation on principles for allocating funding for the Watershed Program is pending.

Attachments

DRAFT
Prop 50 Funding for CALFED
November 19, 2002
(dollars in millions)

Program	Total Available	Chapter, Section
Ecosystem Restoration	\$180.0	Ch 7, Sec 79550(e)
EWA	\$75.0	Ch 7, Sec 79550(d)
Water Use Efficiency	\$180.0	
Conservation	\$120.0	Ch 7, Sec 79550(g)
Recycling	\$60.0	Ch 7, Sec 79550(g)
Watershed	\$90.0	Ch 7, Sec 79550(f)
Drinking Water Quality ^{1, 2}	\$356.0	Ch 4, Sec 79530 Ch 5, Sec 79540 Ch 6, Sec 79545(b,c)
Levees	\$70.0	Ch 7, Sec 79550(c)
Storage	\$155.0	
Surface	\$50.0	Ch 7, Sec 79550(a)
Groundwater/ Wtr Supply Reliability	\$105.0	Ch 7, Sec 79550(d)
Conveyance	\$75.0	Ch 7, Sec 79550(b)
Desalination ¹	\$50.0	Ch 6, Sec 79545(a)
Regional Water Management ¹	\$500.0	Ch 8, Sec 79560
	\$140.0	Ch 8, Sec 79565
Science	Support for Science is incorporated in programs above. In addition to support for performance measures and monitoring, approximately \$40 million is set aside from Chp 7 to support the overall CALFED Science Program for 3 years.	
Total	\$1,871.0	

¹ These are statewide programs and funds. The process, priorities and distribution of the funds has not been determined therefore the amount expected to support CALFED objectives is not known.

² The Drinking Water Quality program needs \$356 million in Stage 1 to meet the ROD objectives. The CALFED Program has identified three Prop 50 Chapters that are the most likely chapters to provide the necessary funding.

**Proposition 50
Proposed Principles
For Programs/ Funds Related to the CALFED Bay-Delta Program
November 21, 2002**

Proposition 50 includes funding in several Chapters that could significantly contribute to CALFED goals and objectives. Section 79509 specifically requires (except for Chapters 6 and 10) “any project that will wholly or partially assist in the fulfillment of one or more of the goals of the CALFED Bay-Delta Program shall be consistent with the CALFED Programmatic ROD, and shall be implemented to the maximum extent possible through local and regional programs”.

In addition to the \$825 million specifically for the CALFED Bay-Delta Program within Chapter 7, statewide funding for drinking water quality and regional water management is available in Chapters 4, 5, 6 and 8. Depending on how the language in the bond is interpreted and the amount of funding provided in the CALFED Solution Area, significant funding could be available for the CALFED Program. The following principles are proposed for the statewide programs and the Chapter 7 CALFED programs to comply with Section 79509 and to maximize interagency coordination of Proposition 50 programs.

Statewide Programs and Funding

Integrated Regional Water Mgmt / Chapter 8	DWR/SWRCB	\$500 million
Integrated Regional Water Mgmt / Chapter 8	WCB	\$140 million
Contaminant & Salt Removal Technologies / Chapter 6	DWR	\$100 million
Clean Water and Water Quality / Chapter 5 (a)	SWRCB	\$100 million
Safe Drinking Water / Chapter 4(a)(b)	DHS	\$435 million

Principles-- For the Proposition 50 funding listed above that is statewide in nature:

1. Maximize coordination between the California Bay Delta Authority and the departments with funding authority regarding setting priorities and criteria, and project review and selection. . For example incorporate adequate science and technical review, and public involvement in the process.
2. Provide ONE process for distributing funds rather than a CALFED process and non CALFED process for the same types of projects
3. Maintain a statewide process but ensure consistency with the ROD for projects in the CALFED solution Area
4. Retain final decision authority with the department receiving the appropriation.

CALFED Bay-Delta Program -- \$825 million

Chapter 7 Principles

1. Allocate funding over 2-3 years.
2. Pursuant to Section 79551, allocate 5% percent of the Chapter 7 funds to support to overall CALFED Science Program.
3. Work with the BDPAC and subcommittees, CALFED agencies, and the Legislature, to develop priorities for Proposition 50 spending

**CALFED BAY-DELTA PUBLIC ADVISORY COMMITTEE
DELTA LEVEES SUBCOMMITTEE**

November 15, 2002

To: CALFED Bay-Delta Public Advisory Committee

From: Delta Levees Subcommittee
Co-Chairs Marci Coglianesse and Tom Zuckerman

Subject: Recommendation from the Delta Levees Subcommittee

Mission: The mission of the Delta Levees Subcommittee is to coordinate between CALFED agencies and stakeholders on CALFED Levee Program issues and provide advice to the Bay-Delta Public Advisory Committee.

Goals:

- Coordinate stakeholder support for adequate Delta Levee Program funding to achieve its goals and ROD commitments.
- Coordinate stakeholder support to balance environmental regulatory compliance with achieving Delta Levee Program goals and ROD commitments.

2003 Priority:

1. Secure a long-term Delta Levee Program funding source.

Issue:

The CALFED Delta Levee System Integrity Program (Delta Levee Program) was severely under-budgeted during Year Two of implementation, and is unlikely to receive any general funds in Fiscal Year 03-04 due to the on-going State budget crisis. These cuts threaten the stability of Delta levees and the integrity of the State and federal water projects. A brief history and description of the Delta Levee Program is attached.

While funds for the Delta Levee Program are included in the recently approved Proposition 50, the funds *allocated* for the Delta Levee Program will not allow the program to "catch up" with the goals for Years 1-7. The Delta Levee Program will continue to lag behind other components of the CALFED Program unless additional funding sources are dedicated to the Program.

Recommendation from the Subcommittee:

The Delta Levee Subcommittee supports the following to ensure funding of the Delta levees program:

1. Support funding the Delta Levee Program at least at the pre-CALFED levels (\$12 million per year of State funds).

2. For Fiscal Year 02-03, all funds allocated to the Special Projects component of the Delta Levee Program should be restricted to levee improvement projects. The CALFED program should recognize the funds that have been spent through the CALFED program for ecosystem benefits, and acknowledge that those expenditures will result in "net habitat improvement" in the Delta as required in Water Code Section 12311.
3. Pursue creation of a fund to offset shortfalls in the State budget, such as a fee linked to export of water from State and federal water systems to be earmarked for maintenance and upgrades to Delta levees, recognizing the levees are part of the water conveyance system for the State and federal water projects which are funded by such fees.
4. New bond funds approved by the voters in November 2002 (Proposition 50, Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, 70 million dollars designated for "Delta levee restoration" in Chapter 7) and any federal funds that become available during the federal fiscal year should be allocated to restore the level of funding for the Delta Levee Program to the levels in the ROD and Implementation Plan.
5. In order to achieve a better balance in the CALFED programs, identify other possible sources of funding from Proposition 50 that could be used to fund the Delta Levee Program to the levels in the ROD and the Implementation Plan. For example, use funds from the Delta conveyance category to expand the subventions and special projects efforts, recognizing that Delta levees are essential to conveyance in a "through Delta" configuration. Or, use funds from Chapter Two to fund the emergency response program, recognizing the potential threat to drinking water supplies caused by Delta levee failures.

Levee Program Background Information

Levee Program Background:

The Delta Levee Program was created by the State Legislature in 1973 and has been reauthorized in several subsequent bills. The current program has been incorporated into CALFED as one of the four original program components along with ecosystem restoration, water quality, and water supply reliability.

Funding Sources:

Implementation of the CALFED program, as outlined in the ROD, has been uneven due to funding constraints. While hundreds of millions of dollars have been spent on ecosystem restoration, only \$29.4 million dollars has been allocated for levee system integrity, 39% of the ROD goals. Funds for FY 2000-2001 were from Proposition 13 and Proposition 204. Funds for FY 2001-2002 were largely Prop 204 and 13, with some General Funds.

The Delta Levee Program has been funded from several different sources, most recently from bonds and the General Fund. The funds are administered by the Department of Water Resources and are used to match local Reclamation District funds for on going levee maintenance, and for "Delta Special Flood Control Projects". These Special Projects include "net habitat improvement" in the Delta; levee projects on the eight western islands (Sherman, Twitchell, Jersey, Bethel, Bradford, Webb, and Holland Islands and Hotchkiss Tract); flood control for the Delta communities of Thornton and Walnut Grove; and other projects throughout the Delta. The State funding for levee maintenance and special projects programs are traditionally split 50-50, but exceptions have been made in the past.

CALFED Levee Program:

<p>The goal of the CALFED levee program is to provide long-term protection for multiple Delta resources by maintaining and improving the integrity of the extensive Delta levees system.</p>

The Delta Levee Program has evolved from a program of maintenance and repair only, to one also incorporating habitat restoration and enhancement as a goal. The attributes of flood protection work plus habitat restoration make the program consistent with goals and objectives of the overall CALFED mission to develop and implement a long-term comprehensive plan for beneficial uses of the Bay-Delta.

The Delta Levee Program was incorporated *en toto* into CALFED. Indeed in the first years of CALFED, many of the accomplishments of the CALFED program were directly attributable to the Delta Levee Program.

Under CALFED, the Delta Levee Program provides funding for levee maintenance, mitigation for impacts from levee maintenance, and emergency response. The source of funds is currently bond funds and the General Fund. Special Projects provides funding to

improve and protect Delta levees and for net habitat improvement, implemented through levee reconstruction, subsidence control, and reuse of dredged materials.

The CALFED "Levee System Integrity Program" consists of several elements, each with goals (pages 73-74, ROD):

- Base Level Protection. "This Program will provide base level funding to help local reclamation districts reconstruct all Delta levees to a base level of protection (the PL 84-99 standard). Currently about 520 out of 1,100 miles of Delta do not meet this stand. During Stage 1, about 200 additional miles of levee will be brought up to a base level of protection."
To date, under CALFED no additional levees have been brought to the base level of protection.
- Special Improvement Projects. "This Program will enhance stability on levees that have particular importance in the system. Priorities include life and personal property (more that 400,000 people live in Delta towns and cities), water quality (preventing salinity intrusion), protecting agricultural production, and protecting ecosystems."
No levees have been improved beyond the PL 84-99 standard.
- Levee Subsidence Control Plan. "Draining and cultivation of Delta marsh lands causes the peat soil to break down and compact. Over time, land has subsided from sea level so that today two-thirds of the Delta is below sea level and subject to flooding. Some points are now 21 feet below sea level. CALFED will develop "best management practices" to control and reverse subsidence and work with local districts and landowners to implement cost-effective measures."
No best management practices have been developed.
- Levee Emergency Response Plan. "This will enhance the ability of local, State, and Federal agencies to rapidly respond to levee emergencies."
Levee Emergency Response Plan has been prepared, and there is continuing effort to fully integrate it with individual efforts Deltawide, but the Plan is not finalized.

Stage 1 actions for the CALFED Levee Program include:

- Delta Risk Management Strategy. "Develop a Delta Risk Management Strategy that identifies risks to Delta levees, evaluates consequences, and recommends actions by 2001."
No work has started on this project.
- Reuse of Dredged Material. "Develop Best Management Practices for the reuse of dredge materials by 2001."
Several projects are underway, including Sherman Berm and Jersey Island levee repair.

- Use Bay and Delta Dredge Material for Delta Levee Repair and to Restore Delta Habitats. "Institute a program for using Bay and Delta dredge material to repair Delta levees and restore Delta habitat, targeting two million cubic yards of dredge material applied in Stage 1. This program must be coordinated with CVRWQCB and other interested agencies to assure that the dredge material reuse program adequately addresses concerns over salinity and the quality of dredge material. An aggressive protective dredge material reuse program will be critical to the success of both the base level program and special improvement projects."
In Years One and Two, over 500,000 cubic yards of dredge material have been reused for levee maintenance.

Fiscal Year 2002-2003:

The Governor's Budget proposed \$4.5 million for the Delta Levee Program, a reduction of approximately 2/3 of the base budget anticipated in the Levee Program's authorizing legislation. An additional reduction of \$2.5 million followed. The remaining \$2 million will only fund administration and oversight of the program and will eliminate all new work for the entire upcoming fiscal year. Some work is continuing under bond funds from previous fiscal years.

CALFED Anticipated Levee Budget and Changes to Date:

The CALFED Framework for Action, Appendix A, outlines the project expenditures for CALFED programs. The Delta Levees Program was slated to expend \$264 million Years One through Seven. Of those funds, \$142 million were to be federal funds, \$88 million were to be State funds and \$34 were to be local Reclamation District matching funds (a portion of which was to be lands, easements, and rights of way). An additional \$180 million were slated for implementation of a new levee program in the Suisun Marsh; no plan has yet been adopted by CALFED so none of those funds have been needed to date.

In Years One and Two (FY 2000-2001 and FY 2001-2002), a total of \$29.4 in State funds has been allocated to the Delta Levees Program. In that period, no federal funds have been allocated to the Delta Levees Program.

**California Bay-Delta Public Advisory Committee
Draft Meeting Summary**

**Wednesday, September 18, 2002, 12:30 p.m. to 6:00 p.m.
Cucamonga County Water District
Rancho Cucamonga, California**

The Southern California Water Dialogue sponsored a tour of water conservation, desalination, treatment, recycling, and flood control projects. The tour covered the area from the Chino Basin to the coast between Santa Monica and El Segundo. The site visits and briefings illustrated the progress made in Southern California and the benefits the projects bring to the region and the Bay-Delta watershed.

**Thursday, September 19, 2002, 9:00 a.m. to 3:00 p.m.
Metropolitan Water District of Southern California
Los Angeles, California**

Members in Attendance: Gary Bobker, Ryan Broddrick, Denny Bungarz, Martha Davis, Dan Fults, Greg Gartrell, David Guy, Martha Guzman, Steve Hall, Gary Hunt, Leslie Lohse, Robert Meacher, Dan Nelson, Timothy Quinn, Frances Spivy-Weber, Maureen Stapleton, Marguerite Young, Tom Zuckerman

1. Welcome and Introductions

Chair Gary Hunt welcomed members to Southern California. Vice Chair Denny Bungarz reviewed the events of September 18 and thanked the sponsors of the tour. Bennett Raley (Assistant Secretary, Department of Interior) and Mary Nichols (Secretary for Resources, The Resources Agency) reiterated that both administrations support the CALFED Bay-Delta Program. Secretary Nichols acknowledged that the Committee and subcommittees are making decisions and assisting the Program; she praised them for their hard work.

2. Chair's Report

Chair Hunt noted the New York Times articles in the meeting packet which demonstrate that water issues present global problems that require stakeholders to rise above the day-to-day business of their constituencies. He reviewed progress on Committee priorities:

Governance – Chair Hunt thanked members for their participation in the legislative process that passed SB 1653 (Costa), the bill that creates the California Bay-Delta Authority. The Governor is expected to sign the legislation.

Federal Authorization – The Chair expressed cautious optimism that Congress will approve Federal authorization of the CALFED Bay-Delta Program.

Proposition 50 (Water Bond) – The Chair urged stakeholders to look towards the long-term interest of California and support or remain neutral on the measure. He reminded members that with all the pressures on the Federal budget, the measure is critical for keeping the Program on schedule.

3. Director's Report

Director Patrick Wright mentioned pending approval of Proposition 13, Watershed and Drinking Water Quality grants. Member Martha Davis urged that due to limited funding, projects be carefully reviewed for quality, so there is prudent use of existing funds.

Member Tom Zuckerman raised questions regarding Committee consideration of this meeting's subcommittee recommendations outside the context of earlier subcommittee recommendations and reports.

Action Items

- Chair Gary Hunt asked the Program to prepare a matrix of all subcommittee recommendations made in 2002, and the CALFED Program's response to those recommendations.
- After hearing from the subcommittees, the Committee accepted for consideration all recommendations from Drinking Water, Water Use Efficiency, and Environmental Justice Subcommittees and advised the Program to report to Committee in December on how the recommendations would be addressed in the work plans. The Chair cautioned that all recommendations might not be fully incorporated into the work plans, due to resource constraints.
- Later during the meeting, the Chair stated the Committee would receive a report on the new governance structure and the Committee role in the new process at the December 4, 2002, meeting.

4. Drinking Water Subcommittee Recommendations

Subcommittee co-chairs Greg Gartrell and Marguerite Young reviewed the subcommittee recommendations with the Committee. Committee members noted that a strategic plan is needed. The Subcommittee is developing public policy needed to provide direction for local actions and the recommendations represent a blueprint for the Drinking Water Quality Program. Specific to the recommendation on SB 390, members wanted assurance that the recommendation does not add a regulatory layer and that it acknowledges the differences between watersheds and how those watersheds would implement the recommendation. Members recognized overlap with working landscapes and ecosystem restoration issues and discussed agricultural discharge waivers within the broader context of projects designed to address water supply and quality problems.

Action Items

The Committee accepted four recommendations for consideration:

- Recommended CALFED Program incorporate "Equivalent Level of Public Health Protection" conceptual framework into the Drinking Water Quality Program.
- Recommended CALFED agencies conduct a detailed analysis of available funds, including Proposition 50, to support the Drinking Water Quality Program.
- Recommended that advanced treatment studies receive priority consideration by CALFED agencies.
- Recommended that State Water Resources Control Board and Central Valley Regional Water Quality Control Board address drinking water quality issues when implementing SB 390 (agricultural discharge waivers).

5. Water Use Efficiency Subcommittee Recommendations

Co-chairs David Guy and Frances Spivy-Weber presented the recommendations. Comments from members, Secretary Nichols and Assistant Secretary Raley on urban certification questioned changing the institutional framework from a voluntary to a regulatory approach and the need to have true incentives and disincentives to utilize the best of both approaches and encourage water use efficiency.

Action Items

The Committee accepted two recommendations for consideration:

- Recommended to CALFED Policy Group adoption of Agricultural Water Use Efficiency Milestones Staff Proposal.
- Recommended to CALFED Policy Group adoption of Urban Water Conservation Certification Staff Proposal.

6. Environmental Justice Subcommittee Recommendation

Co-chairs Martha Guzman and Leslie Lohse reviewed the draft work plan with the Committee. In response to comments regarding land retirement, the co-chairs acknowledged that data was needed to distinguish between retirement caused by market forces and regulatory/policy actions. Other comments emphasized the need for all Subcommittee co-chairs to meet to address integration of recommendations throughout the CALFED Program and carrying out actions that meet multiple objectives.

Action Item

- Committee accepted for consideration the Subcommittee's Environmental Justice Work Plan by the CALFED Policy Group.

7. Southern California Regional Overview

Member Maureen Stapleton briefed the Committee on progress made on the California Colorado River Water Use Plan and the outstanding issues to be resolved during the challenging negotiations. Tim Worley (Metropolitan Water District) explained the purpose of the Southern California Dialogue and its efforts to be a CALFED regional partner.

8. CALFED Bay-Delta Program 2002-2003 Issues and Priorities

Water Operations – Curtis Creel (Department of Water Resources), Chet Bowling (U.S. Bureau of Reclamation), and Patrick Wright updated the Committee on the schedule and issues for developing the 2003 water operations plan. Committee members noted that meeting Delta Smelt recovery criteria may occur in the near future, that ensuring adequate water for environmental purposes and water supply will be a challenge in changing political environments, and that identifying the amount of water needed for environmental restoration and achieving fishery recovery goals will require scientific investigations and guidance.

CALFED Program Work Plan - Patrick Wright summarized 2002 Program accomplishments and draft 2003 work plans for each Program element. Member comments suggested that the Year 3

budgets include support for tribal coordination and funds carried over from previous years. Members also suggested that work plans address working landscapes benefits, the Committee be a champion for the Science Program, and areas of uncertainty on science priority issues be identified.

Public comments focused on the need for water conservation and keeping to schedules established for In-Delta storage and other water supply projects.

Action Items

- Chair Gary Hunt suggested the Committee and Policy Group conduct a joint meeting in December to discuss major CALFED issues, including:
 - Program priorities
 - Allocation of funding
 - Identify actions to stay on schedule and actions to be delayed
- Chair Gary Hunt asked the Program to recommend in December a process and structure for addressing science funding and priorities in the new governance structure.

**California Bay-Delta Public Advisory Committee
Steering Committee
Meeting Summary
November 13, 2002
Room 1131, Resources Building
Sacramento, California
1:00 p.m. to 5:15 p.m.**

Members in Attendance: Gary Bobker, Ryan Broddrick, Denny Bungarz, Marci Coglianese, Greg Gartrell, Gary Hunt, Robert Meacher, Jerry Meral, Tim Quinn, Frances Spivy-Weber, Marguerite Young, Tom Zuckerman

Welcome and Chair's Report

Vice Chair Denny Bungarz opened the meeting and called for introductions of those in the room.

Later in the meeting, Chair Gary Hunt and Secretary for Resources, Mary Nichols congratulated all on the passage of Proposition 50. The Chair also mentioned that financial support is still needed to create more water supply.

The Steering Committee will be reconvened after the December 4, 2002, BDPAC meeting to address Program integration, governance, and funding issues.

Director's Report

Governance

Tom Hagler (U.S. Environmental Protection Agency) summarized CALFED agency progress on the transition to working under the California Bay-Delta Authority Act.

Issues identified and discussed:

- Decision-making, before Authority is functioning, is a little uncertain.
- Stakeholder and agency discussions on transition issues are important but should respect open meeting requirements.
- New governance structure may change ROD Implementation MOU. Significance of changes still needs to be identified.
- Role of Federal agencies without Federal authorization.
- Need to address questions on roles of Steering Committee, BDPAC, and Authority.
- Keeping participation/decision-making of agencies not represented on Authority active and transparent.
- Concerns with agencies meeting privately as Agency Coordination Team.
- BDPAC selection of its representative on Authority.

Action Items:

- Forward Transition Team memo to BDPAC.
- Transition Team and framers of SB 1653 (bill that created Authority) meet ASAP.
- Identify a clear set of action items for the governance item on the December 4, BDPAC meeting agenda.

Federal Authorization

Chair Gary Hunt announced the continuing resolution for maintaining Federal funding at current levels does not mention the CALFED Bay-Delta Program and may affect Federal expenditures for the Environmental Water Account.

CALFED Bay-Delta Program Progress and Balance

Year 2 (2002) Assessment

Director Patrick Wright (CALFED Bay-Delta Program) announced the Program does not intend to make a formal finding of balance or imbalance. The Annual Report will note shortfalls.

Issues and Comments:

- Delays in funding for storage projects technical studies may affect future funding of storage construction projects and support for the Program.
- Look at multiple funding sources for projects.
- Overlap and linkages between Programs are important to highlight and address.

Year 3 (2003) Priorities

Chair Gary Hunt suggested the draft priorities address the projects and actions that will be needed to ensure schedules for surface storage and conveyance are met.

Action Item:

- The Steering Committee will address user fee issues, especially since several subcommittees and programs are suggesting their use, to ensure sustained funding to meet CALFED goals and objectives.

Response to Subcommittee Recommendations

Eugenia Laychak (CALFED Bay-Delta Program) reviewed status of subcommittee recommendations and the Program response to those considered by the BDPAC in 2002. Adoption of the recommendations will be considered by BDPAC at the December 4, 2002, meeting.

Issue:

The process of forwarding recommendations, Committee consideration, and CALFED Agency and Program responses is evolving and will continue to evolve during the transition to the new governance structure.

Action Item:

- Keep consideration of Subcommittee recommendations transparent, but efficient, at BDPAC meetings.

Year 3 Funding

Kate Hansel (CALFED Bay-Delta Program) reviewed status of funding for the Program this fiscal year. Funding shortages for the levee system integrity and science programs and for agricultural water conservation grants were noted. It was announced that funding

for science actions that cut across the entire Program will come from a 5% “assessment” from each Program element budget. Additional funds needed for science activities related to individual elements will be funded by those elements. Ms. Hansel directed Subcommittee attention to the Finance Plan Work Plan Outline.

Year 3 Budget Issues

Ms. Hansel led discussion on a proposal for allocating Proposition 50 funding to CALFED projects and actions.

Ecosystem Restoration

Issues:

Bonds are to be used for capital outlays. Look closely at details of projects to ensure funded tasks meet the intent of the Bond.

Water Use Efficiency and Watershed

Members generally agreed with the staff proposal.

Environmental Water Account

Issues:

Staff proposal to fund EWA with majority of funds in section 79550 (d) of Proposition 50 will likely not receive wide spread support. EWA is only one of several water supply reliability project categories.

Drinking Water Quality

Issues:

SB 1473 (Machado) was chaptered and assigns \$150 million of Proposition 50 funds for projects that facilitate water transfers pursuant to the Quantified Settlement Agreement for the Colorado River. It will be up to the legislature to identify the specific funding source. The Steering Committee favored funding by sections other than Section 7 of the Bond.

Assigning funds in Section 79530 (b) to meet CALFED goals and objectives received Committee member support, because the intent of the section is to improve Southern California State Water Project water quality to reduce reliance on the Colorado River. In addition, the funds will be used to carry out the “Equivalent Level of Health Protection” strategy.

Assigning funds in section 79540 (a) and in Proposition 40 to meet CALFED goals and objectives received Committee member support, because coordination of projects is important as many projects can meet both State Water Resources Control Board and CALFED objectives. Coordination will also improve government efficiency in development of project funding criteria. Members generally supported use of section 79545 (b, c) funds to meet CALFED goals and objectives.

Levee System Integrity

Issues:

Members supported the staff proposal. The question was raised as to whether funds from sections other than section 79550 (c) could be used to restore levees.

Storage/Conjunctive Use

Issues:

Section 79550 (d) funds should be used to fund all listed components of water supply reliability, including EWA.

Conveyance

Issues:

Timing expenditure of funds will be dependent on completing certain tasks that are behind schedule.

Desalination

Issues:

Members generally supported the staff proposal. They supported coordinating expenditure of funds with CALFED. However, in cases where projects have already been preapproved, coordination with CALFED should not cause undue delays and unnecessary review.

It was suggested that CALFED review other agency approval processes and determine if those processes are functional equivalents to the CALFED approval process.

Regional Water Management

Issues:

It was suggested that a single block grant process be used to dispense the funds, the funds be matched with local monies, and the grants be tied to meeting CALFED goals and objectives.

Science

Issues:

Steering Committee members generally supported the use of Proposition 50, Chapter 7 funds for funding the science actions that cut across CALFED programs. There was less support for using funds in other chapters for scientific assessment.

Action Items:

- Legal Counsel will report to BDPAC on how the Committee can participate in the State legislative process that will ensue on allocating Proposition 50 funds.
- For the December 4, BDPAC meeting, Program staff will summarize Proposition 50 funding issues and changes in the proposal as a result of the Steering Committee discussion.

**Correspondence included in the BDPAC/Policy Group
packet is on file at the CALFED office.**

**To obtain a copy of the Correspondence Section,
please call (916) 657-2666.**