

## 2004 PROGRAM PRIORITIES AND ACTION PLAN

**Agenda Item: 6**

**Meeting Date: February 11, 2004**

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**Summary:** This report contains information on current Program priorities and the Authority's plan for action in 2004. These plans and priorities are based on guidance provided by the Authority at its October and December meetings.

**Recommended Action:** Informational only. No action to be taken.

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### **Background**

The California Bay-Delta Authority Act of 2003 charges the California Bay-Delta Authority with providing accountability, providing direction to achieve balanced implementation of the CALFED Program, assessing progress, using sound science, assuring public involvement and outreach, and coordinating and integrating related government programs.

The Authority staff, in coordination with the implementing agencies, undertake many activities to assure the Authority's responsibility for overseeing and coordinating the implementation of the CALFED Program are met. These include:

- Managing a public planning process
- Maintaining comprehensive Program tracking
- Leading a public assessment of Program progress
- Coordinating and overseeing grant programs
- Developing and implementing improved Program and business practices

Additional information on these processes can be found in Attachment 1.

As the CALFED Program enters 2004, the Authority staff and the staff of implementing agencies continue to work toward the goals of the August 2000 Record of Decision (ROD), while prioritizing their available resources. At its meetings in October and December, the Authority directed its staff to articulate these priorities in a comprehensive manner that captures the multidimensional efforts of the Program. This document seeks to provide that information in a succinct manner.

Unlike previous Program-wide reports, this document does not present the Program in an element-by-element narrative. Rather, it provides synopses of status and plans by three basic categories of system-wide improvements, local and regional plans/projects, oversight and coordination, and science. This organization better reflects the relative priorities of these activities and will facilitate more effective discussion.

More detail on these activities is provided below.

### **System-Wide Improvements**

Although the CALFED Program includes plans for programs and projects that will be executed over the next 30 years, improved management of key parts of our water and ecological systems must occur in the near term to reduce statewide conflict and lay a foundation for further progress. The following discussion is focused on actions that address system-wide improvements.

***Delta Improvements Package:*** Historically, actions to maintain water supply, assure good water quality, and protect important fish species have been at odds with each other; and conflicts in the Delta are common.

State and Federal agencies, through the CALFED Program, are proposing to undertake a series of activities over the next few years to work through these conflicts and carry out key ROD commitments related to improvements in the Delta. These include:

- South Delta Improvements Program (SDIP),
- A Central Valley Project (CVP)-State Water Project (SWP) Intertie,
- Significant in-Delta water quality improvements, and
- A decision whether to continue the Environmental Water Account (EWA).

Together, these activities are expected to increase water supply reliability, improve Delta water quality, and improve conditions for Delta fish.

Many of the activities undertaken by the CALFED agencies are interrelated. Key decisions on Delta components cannot be made in isolation. For example, the SDIP proposes to increase export pumping of the SWP. Increased pumping could reduce the effectiveness of the EWA to manage for recovery of at-risk fish species, unless the EWA assets are improved as well. Improving the EWA, however, will require agreement that the EWA would continue beyond its four-year experimental period. In addition, science has played a key role in how the agencies plan to move forward with improvements in the Delta. State, Federal, and local agencies are making huge investments in cooperative research studies to better understand how water, fish, and salt move through the Delta.

The CALFED agencies are coordinating their assumptions and schedules to move forward with a set of Delta activities that are consistent with the CALFED Program's principle of balance. Following an extensive public review process, the agencies expect to propose a set of integrated actions, together with a financing plan, in the summer of 2004. Coordination of these key activities will help avoid the conflict and gridlock that the Program was created to address, and to meet the water supply reliability, water quality, and ecosystem restoration goals of the Program.

**Surface Storage Investigations:** The ROD included actions to study five surface storage sites including:

- Expanded Shasta Lake
- North-of-Delta Offstream Storage
- In-Delta Storage
- Los Vaqueros Reservoir Expansion
- Upper San Joaquin River Storage

DWR and USBR have made progress in preparing Feasibility Studies and Environmental Impact Reports/Studies for these five projects. However, all of these investigations are significantly behind the schedule presented in the ROD. During 2004, progress must continue and, if possible, be accelerated on these studies. Figure 1 shows that current schedules predict that final studies and environmental documents will be completed no sooner than June 2005 (for Los Vaqueros) and as late as October 2007 (for Shasta Lake).

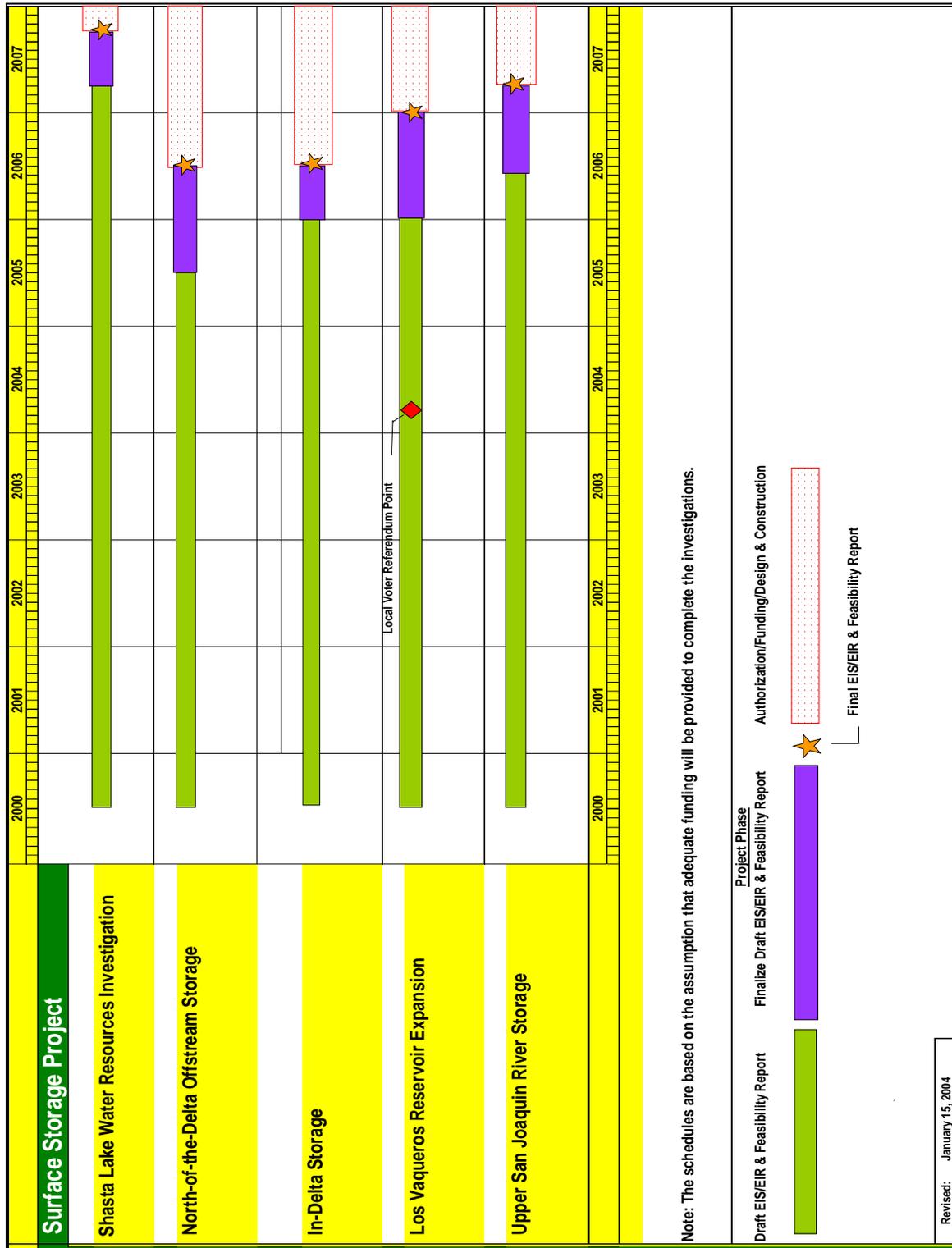
**Delta Conveyance and Science Studies:** The operators of the CVP and SWP, the academic and environmental communities, and the Authority's Science Program have recognized that there is potential to improve flow regimes in the north and central Delta to optimize Delta exports and species health. However, vital gaps exist in our knowledge of existing flows, the potential change in flows from management changes (such as Delta Cross Channel operations changes), and the effects of these changes on migrating fish species. The Science Program, in conjunction with the implementing agencies, is coordinating ongoing scientific studies and research to provide more information to decision-makers regarding these key questions. This research assures that the best available scientific information is used to provide the foundation for potential new Delta operations.

### **2004 Action Plan for System-Wide Improvements**

#### ***April 2004 Authority Meeting:***

- Progress update on the Delta Improvements Package, including discussion of issues and schedules relating to Public Draft EIR/S on South Delta Improvements Program (SDIP) and re-consultation on CALFED Programmatic Biological Opinion.

Figure 1. Storage Investigation Schedule



***April 2004 Authority Meeting (Continued):***

- DWR and USBR will provide reports of progress on all five surface storage projects and seek guidance from the Authority on the appropriate levels of effort as the studies move forward.

***June 2004 Authority Meeting:***

- Consideration and recommendation by Authority on the Delta Improvements Package and its financing plan.

***October 2004 Authority Meeting:***

- Progress report on the Delta Conveyance and Science Studies.

**Local And Regional Plans And Projects**

Recent efforts by several regional water forums, including Metropolitan Water District, Santa Ana Watershed Protection Authority, Northern California Water Association, and others, represent a significant shift in the approach to water management planning in California. These regionally driven efforts can be more effective at affordably meeting local needs than our previous centralized water management planning approach.

However, these regional efforts need support from the CALFED Program and its implementing agencies. Through the implementation of programs and projects funded by Proposition 50, the Legislature, the Authority, and the implementing agencies have an opportunity to provide incentives to develop projects that can simultaneously meet local needs and contribute to statewide goals for water supply reliability and ecosystem restoration. The Program must make progress on system-wide water supply reliability projects such as those that optimize Delta exports and species protection. The Program must also provide a level of coordination among regional programs to maintain inter-regional parity and avoid a destabilizing statewide imbalance in water supply reliability progress. The Program should also provide direction to local programs on how to effectively structure outreach to environmental justice and tribal communities.

Priority regional actions that require support from the Authority during 2004, include Proposition 50 Implementation, development of regional profiles in coordination with the update of the State Water Plan (DWR Bulletin 160), development of a statewide water measurement proposal, and continued progress on working landscapes, environmental justice, and tribal coordination.

***Proposition 50 Implementation:*** In addition to passing the largest water bond in California history, members of the public (through their elected representatives and stakeholder groups) have made it clear that water bond funds should be awarded expeditiously and effectively. Effective implementation means crafting criteria that meet the intent of the law, establish appropriate priorities, assure only the best projects are funded, address environmental justice and tribal issues, and honor the Program's "beneficiary pays" principles by calling for appropriate local cost sharing. Expeditious implementation means, coordinating grant solicitations from a variety of fund sources and implementing agencies, and selecting grants as quickly as possible.

Some programs such as Water Quality, Levees, Agricultural Water Use Efficiency, and Science will receive special attention because of past lack of funding. While other programs including the Environmental Water Account and Surface Storage Investigations are considered high priority because they are foundational, and progress on these is critical to reducing conflicts. Other programs such as the development of Integrated Regional Plans and the Water Use Measurement Proposal need to continue in the near term because they will provide important information about water demands.

***Regional Profiles/Bulletin 160/Measurement:*** At its October 2003 meeting, the Authority directed staff to work with DWR to develop regional profiles that are consistent with ongoing efforts to update the California Water Plan (Bulletin 160-03). Progress to date on this activity has yielded draft regional profiles that characterize the distinct settings and needs of California's regions. However, more work is required to integrate those profiles into the water supply and demand projections embedded in Bulletin 160.

These profiles are currently in draft form and staff is working with regional interests to develop the most complete and accurate reports possible. After regional review, and review by BDPAC and the Water Plan Advisory Committee, these profiles will be part of the package of program plans that will be brought to the Authority in June for consideration.

Authority staff will continue to work with State and Federal agencies and with local and regional interests over the next year to promote integrated planning and development of solutions at the regional level. Integrated regional planning will help the Authority better define regional needs and allow expenditures within a region to be targeted to achieve maximum regional and system-wide benefits. Integrated planning will help the regions by improving coordination and communication within the region, allowing the region to better articulate their needs, and helping the regions make more efficient use of the resources at hand.

The role for the Authority and the State and Federal agencies in fostering integrated regional planning is threefold. Incentives to develop integrated solutions can be provided through funding opportunities. One high priority area will be identifying and funding projects and programs under Integrated Regional Water Management, Chapter 8 of Proposition 50. This source of funding provides significant incentives to

develop solutions that address multiple objectives. Criteria for funding will be a topic on the agenda later (Item 10).

The Authority is also helping the regions develop integrated plans and solutions that are well coordinated with other regions and with the statewide system reliability efforts by providing regional coordinators that address issues such as working landscapes, environmental justice, and tribal relations so that the plans and solutions are implementable and consistent with the ROD.

Further, stakeholders and staff have recognized that there are critical regional data gaps that must be filled – particularly in adequately characterizing agricultural and urban water demands. One aspect of filling this data gap over time is developing a statewide policy on appropriate measurement of water use. The ROD anticipated this need by directing staff to define appropriate water use measurement and work with the Legislature to develop legislation that would require appropriate measurement.

***Working Landscapes/Environmental Justice/Tribal Coordination:*** The success of the CALFED Program is due to many factors including effective outreach and coordination with affected communities. Although effective outreach touches all affected communities, efforts to communicate and coordinate with the agricultural communities (Working Landscapes), disadvantaged communities (Environmental Justice), and tribal representatives must continue.

We will brief the Authority on an ongoing basis as these activities unfold during 2004. For example, the Authority and implementing agency staff will take part in a statewide tribal forum on the CALFED Program on February 26, 2004. The results of those discussions will be presented to the Authority at the April meeting.

### **2004 Action Plan for Local and Regional Plans and Projects**

#### ***April 2004 Authority Meeting:***

- Consideration and recommendation by the Authority on proposed legislative, budgetary, and administrative actions related to water measurement.
- Consideration of Proposition 50 grant proposals for Watershed, Drinking Water, and Science Programs.

#### ***June 2004 Authority Meeting:***

- Consideration and approval by the Authority of draft regional profiles.
- Consideration and recommendation by the Authority on additional proposed Proposition 50 grants.

## **Oversight and Coordination & Science**

The activities described above are critical to achieving Program objectives. However, the foundation of all of these activities is effective oversight and coordination and sound science.

**Science** - The CALFED Program is unique in its science-based approach to water management and ecosystem restoration. Not only will continued science activities allow us to make the best future investments, it will also be critical in maintaining broad-based stakeholder support.

Performance measures are intended to be rigorous and, where possible, are quantifiable methods for gauging the progress and success of each Program element. The Science Program has been working with implementing agencies to develop and refine credible performance measures. Agenda Item 5 discusses this topic in more detail.

The Science Program will continue soliciting proposals and awarding appropriate Science Research Grants in 2004. The purpose of these grants is to enable targeted research programs that will fill key data gaps in our understanding of the Bay-Delta system.

**Oversight and Coordination** - Oversight and coordination will be critical to implementing all Program actions because the Program is being implemented by many State and Federal agencies. The following activities will be critical during 2004:

- Federal Authorization and appropriations
- Finance Plan
- Re-evaluation of Program Targets

Both the ROD and the State governance legislation anticipated the enactment of Federal legislation authorizing the Federal implementing agencies to fully participate in the Program. In addition to providing much-needed authorization for staff activities, Federal authorization will give a signal to staff and management that the CALFED Program is a high priority for the Federal administration. Federal authorization will also make it easier for the Program to secure Federal appropriations.

The CALFED Finance Plan is expected to provide the Authority with options for providing long-term funding for the Program. This rapidly progressing and controversial effort will consider methods to employ local, State and Federal funding in the most appropriate and fiscally responsible manner by adhering to the Program's "beneficiary pays" solution principle.

The ROD presented a number of milestones or targets to guide implementation of each Program element. However, the Authority has directed staff to review and, if necessary, revise Program targets given our latest information on Program progress, scientific advance, and near-term budgets. Please refer to the Progress Report on Reviewing and Revising Program Targets (Attachment 2) for a detailed description of this ongoing process.

### **2004 Action Plan for Oversight and Coordination & Science**

#### ***April 2004 Authority Meeting:***

- Recommendation from the Independent Science Board to the Authority for new Lead Scientist.
- Consideration and recommendations on Finance Plan options report.
- Presentation on Federal authorization bill and President's Budget.

#### ***June 2004 Authority Meeting:***

- Consideration and approval of Multi-year Program Plans, including revised targets.
- Consideration and approval to release Science Program grant solicitation.

### **Fiscal Information**

Not applicable

### **List of Attachments**

Attachment 1 -- Oversight and Coordination Process Overview

Attachment 2 -- Progress Report – Reviewing and Revising Program Targets

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