

Agenda Item: 4
Meeting Date: July 8, 2004

CALIFORNIA BAY-DELTA PUBLIC ADVISORY COMMITTEE

2004 PROGRAM PLANS

Description: This report provides information on the program planning process, final draft criteria which will be used as a basis for reviewing and approving the Final Draft Program Plans, and other related outstanding issues. Draft Program Plans were provided to BDPAC as part of the materials for the May meeting. Revised Final Draft Program Plans are included with this staff report. The Program Plans and criteria will be considered for approval by the Authority in August.

Recommended Action: Staff recommends that BDPAC recommend approval of the Final Draft Program Plans contingent on the issues identified in this report being resolved prior to the August Authority meeting.

Background

The California Bay-Delta Authority Act of 2003 requires the Authority to annually review and approve and potentially modify Program Plans and long-term expenditure plans. The program planning process provides the forum to describe what has been accomplished, strategically plan for future implementation actions, identify problems and propose steps for resolving issues, identify available funding and additional funding needs, and ensure cross-program integration and balance.

Each year Authority staff oversees and coordinates preparation of the Program Plans by the implementing agencies. Comments on the Draft Program Plans are solicited from BDPAC subcommittees, BDPAC, the Authority, and the public. BDPAC subcommittees discuss relevant Program Plans and help identify outstanding issues within that element. BDPAC will make a recommendation on the Program Plans to the Authority at the July meeting. The Authority will consider approval of the Program Plans in August.

Criteria for Program Plan Approval

Draft Criteria were distributed to BDPAC and the Authority at the May and June meetings, respectively. The criteria have been revised based on the comments staff received from both BDPAC and the Authority. Adjustments were also made to make it easier to apply the criteria to each individual Program Plan, as well as to the Program Plans as a group. The Authority will consider approval of the revised criteria in August.

One of the challenges faced this year by the implementing agencies was that the proposed criteria were developed concurrently with the plans themselves. As a result, the plans were not prepared to specifically respond to the criteria, and may not specifically address every criteria this year. Next year the criteria will be provided with the instructions for preparing the plans, so that the plans can be more responsive to and consistent with the criteria.

The final draft proposed criteria are attached in Attachment 1.

Final Draft Program Plans

BDPAC subcommittees have been working with the implementing agencies to finalize the Program Plans. At the July BDPAC meeting, the subcommittee co-chairs will be providing comments on the Program Plans and making recommendations to BDPAC. BDPAC, as a whole, will be making a recommendation to the Authority.

The following is a summary of changes that are reflected in the Final Draft Program Plans:

- Most of the Program Plans have had minor changes to update text. Most Program Plans updated the Science, Environmental Justice, and Tribal Relations sections. All plans updated the Schedule and Funding Tables.
- Ecosystem Restoration, Water Transfers, and Oversight and Coordination Program Plans did not have any significant changes other than updating tables and schedules.
- Storage added Water Transfers as a program that coordinates with Storage activities under Cross-Program Relationships.
- Conveyance updated the Major Activities of its plan to accurately reflect funding available in the Governor's Budget. Conveyance also updated expected dates that targets are to completed and added a "task" to track Frank's Tract.
- Water Use Efficiency (WUE) expanded the description of the WUE Proposal Solicitation Package (PSP) and desalination activities in the Major Activities section. Also expanded was the description of Cross Program Relationships between WUE and other program elements.
- Attached to the Science Program Plan is the Interagency Ecological Program workplan.

The program planning process has provided a forum for implementing agencies to integrate and improve their implementation activities. It has provided a transparent

process for engaging the public and stakeholders in implementation decisions. The program planning process and the resulting plans set the stage for discussing CALFED Program balance with BDPAC and the Authority at their September and October meetings, respectively.

Conclusion

Consistent with the direction from the Authority, staff has been working with the implementing agencies to improve the plans and respond to issues raised by BDPAC and the Authority. Long-term funding remains a critical issue for all of the programs and is being addressed through the development of the 10-Year Finance Plan.

The Authority staff believes that the Program Plans are generally responsive to the criteria and are adequate for purposes of moving forward with implementation next year. However, based on comments from the Authority and BDPAC Subcommittees, the following key issues need to be resolved before the plans are recommended for approval:

- Significant discussion has occurred between stakeholders and the water quality implementing agencies regarding the use of Proposition 50 to support water quality actions. The Drinking Water Subcommittee has raised concern regarding the lack of information in the Program Plan on funding targeted towards CALFED Program objectives. The implementing agencies have advised that specific funding levels cannot be reserved for CALFED drinking water projects because the funding (Chapters 4 and 5, Prop. 50) is to be distributed statewide, and because they have other priorities for these funds. Department of Health Services has proposed to address this issue by inserting the full value of bond funds (Prop. 50, Chapter 4) in the Program Plan (the upper limit of their statewide funds that might contribute to CALFED goals) while the State Water Resources Control Board has proposed to omit bond estimates (Prop. 50, Chapter 5) from the Program Plan. The Drinking Water Subcommittee is concerned that neither approach provides assurance that there will be adequate funding to implement the plan and maintain a balanced program.
- The Watershed Program implementing agencies have not yet reached agreement on how Watershed Program grant funds will be administered over the next few years. The revised Program Plan clarifies the level of Chapter 7 Prop. 50 funding available for Watershed competitive grants for each of the next three years. Implementing agencies are working through details of administering the competitive grant process for Fiscal Year 2004-05 and the potential for consolidating funding for other Watershed Program activities. These issues should be clearly articulated prior to approval of this plan.

- The Storage Program has recently developed more specific plans for expending Prop. 50 funds during the first half of Fiscal Year 2004-05 (see Attachment 2). This greater specificity represents Department of Water Resources' (DWR) approach to near-term prioritization of limited Prop. 50 funds. These more specific tasks will be incorporated into the final version of the Program Plan. DWR expects to revisit these priorities prior to January 1, 2005 as part of their ongoing intensive management of the Surface Storage Investigations.
- Both BDPAC and the Authority have provided direction emphasizing the need for continued development of performance measures which substantively report Program progress. All Program Plans should include a description of the process that will be used to develop and implement performance measures, including interim milestones. Authority staff will work with implementing agencies to include clearer descriptions of performance measure development in the final Program Plans.

Staff recommends that BDPAC recommend approval of the Final Draft Program Plans contingent on the above issues being resolved prior to the August Authority meeting.

List of Attachments

Attachment 1 – Draft Criteria for Approval of Program Plans

Attachment 2 – Report to Water Supply Subcommittee (6/23/04): Approach to
Prioritizing Surface Storage Investigations

Attachment 3 – Final Draft Program Plans (Bound Separately)

Contact

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**DRAFT CRITERIA FOR REVIEW, APPROVAL, AND MODIFICATION OF
PROGRAM PLANS AND EXPENDITURE PLANS**

(Revised 6-17-04)

1. The Program Plan shall address and evaluate previous year's activities and accomplishments.
2. The Program Plan is consistent with the goals and objectives of the CALFED Record of Decision.
3. The Program Plan will result in implementation of projects or programs that advance the Program element with an emphasis on projects that meet the objectives of multiple programs.
4. The Program Plan includes a budget and identifies funding sources and gaps.
5. The Program Plan was prepared and approved by all State and Federal implementing agencies responsible for the program element.
6. The Program Plan includes implementation of comprehensive science activities.
7. The Program Plan includes performance measures for evaluating progress on Program implementation.
8. The Program Plan is consistent with the implementation commitments described in the Record of Decision.
9. The Program Plan will be developed and implemented with public involvement and participation through a transparent process, including the Bay-Delta Public Advisory Committee and its subcommittees and members of the public.
10. The 11 Program Plans, when considered together, result in balanced implementation, as described in Section 79402 (b) of the California Bay-Delta Authority Act, for ecosystem quality, water supply reliability, water quality and levee system integrity.

BDPAC Water Supply
Subcommittee Meeting

Approach to Prioritizing Surface Storage
Investigations

Utilizing Proposition 50 Bond Funding

June 23, 2004

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California Department of Water Resources

Objectives

- Explain recommended Proposition 50 Bond fund allocations for FY04/05, FY05/06, FY06/07
- Explain criteria that may lead to shifts in allocations
- Describe FY 04/05 prioritized tasks
- Get stakeholder feedback to share with DWR Management
- Finalize Prioritization Plan for July BDPAC and August Authority Meetings

Proposition 50 Surface Storage Appropriations

- \$ 50 Million
 - 6.5 M FY 02/03 Bond Fund Shift
 - 2.5 M Science Program
 - 0.7 M DFG
 - 1.8 M Bond Fees (estimates)
- \$38.5 M Balance for Surface Storage Investigations

Surface Storage Funding

(\$ thousands)

Fiscal Year

| | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 |
|-------------------------------------|--------|--------|---------------|---------------|--------------|
| Appropriations | 6, 500 | 19,570 | 19,000 | | |
| Re-appropriate From FY 03/04 | | | 3,000 | | |
| Encumbered Contract Funds | | | 9,250 | | |
| Subtotal | | | 31,250 | | |
| Reveft From 04/05 | | | 12,300 | | |
| Proposed Budget | | | 18,950 | 10,600 | 1,700 |

| Total Surface Storage Funding | | | | | |
|----------------------------------|---------|--------|---------|---------------|--------|
| (\$ thousands) | | | | | |
| FY→ | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 |
| State | | | | | |
| General Fund | 1,500 | 0 | 0 | 0 | ? |
| Proposition 50 | 6,500 | 7,320* | 18,950 | 10,600 | 1,700 |
| Federal | | | | | |
| Appropriations | 6,800 | 4,100 | 2,000** | ? | ? |
| Total S & F Budget | 14,8000 | 11,420 | 20,950 | 10,600+ | 1,700+ |
| | | | | 33,250 | |
| * 19,570 – [3,000+9,250] = 7,320 | | | | | |
| ** Proposed Presidents Budget | | | | | |

| Surface Storage Funds Required to Complete Planning | |
|---|--------|
| (\$Thousands) | |
| Common Assumptions | 2,600 |
| Shasta | 10,700 |
| In Delta | 6,000 |
| Los Vaqueros | 17,300 |
| Upper San Joaquin | 14,400 |
| NODOS | 11,600 |
| Total | 62,600 |

Criteria To Prioritize Work

- Establish Partnerships - Identify project participants through formation of MOU Partnerships, JPAs, etc.
- No Legal Impediments – No significant investment in projects with outstanding legal impediments that would prohibit completion of studies
- Complete ongoing studies (cost, permits, contracts, etc., determine need to complete)
- Periodically re-evaluate funding based on findings in Progress Report and project studies

Prioritized Tasks

Tasks Common To All Storage Projects

- Partnership Formation—look for Project Participants!
- Common Assumptions
- Economic Review (Models, Assumptions, Cost estimates, etc.)
- Progress Report No. 2
- Public Outreach
- Coordination with Reclamation, BDPAC and Authority

Prioritized Tasks

Tasks Common To Projects With Federal Feasibility Authority

- Initial Alternatives Investigation Reports
- Plan Formulation Reports

Prioritized Tasks

Tasks Specific To Projects

Shasta-

- Complete Report on Effects to McCloud River

NODOS-

- **Re-evaluate MOU/JPA**
- Finalize Flow Regime Report
- Cultural Resources & water quality field work
- EIR/EIS affected environment (wrap up work)
- Complete ongoing engineering studies

Prioritized Tasks

Tasks Specific To Projects

In Delta-

- Participate in water quality and seepage work on Jones Tract flooding
- Respond to comments from State Feasibility Study (risk analysis, water quality, intake locations, economics)
- Complete ongoing land appraisal contract work
- Complete Giant Garter Snake field investigations

Los Vaqueros-

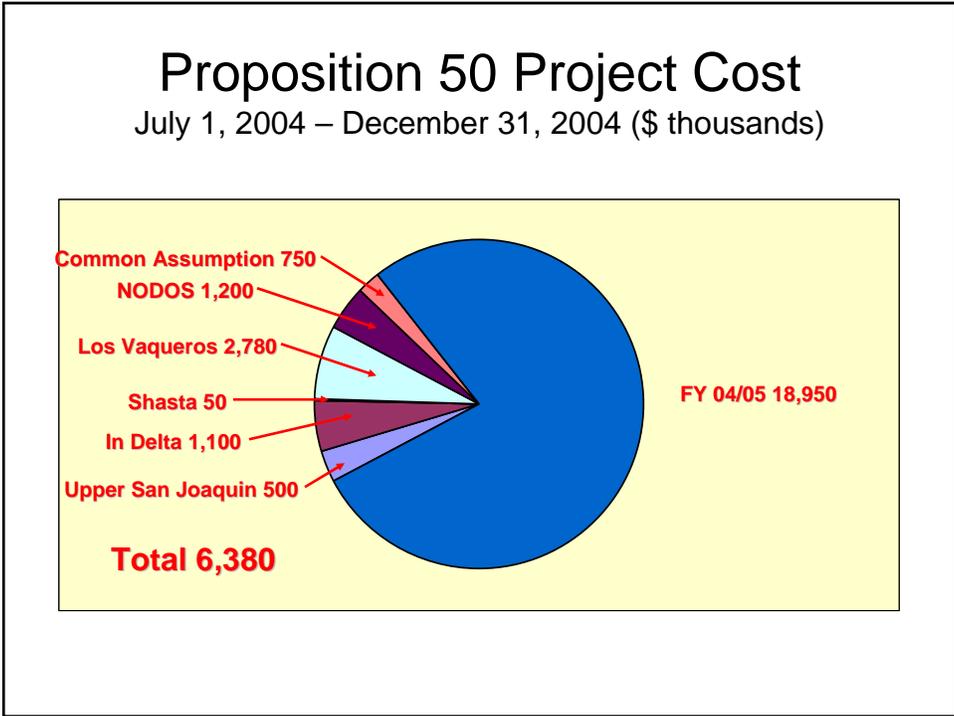
- After JPA is formed, issue NOI/NOP and begin environmental Scoping
- Continue work on HEP analysis
- Begin environmental documentation

Prioritized Tasks

Tasks Specific To Projects

Upper San Joaquin

- Complete assessment of conjunctive management opportunities
- Identify specific conjunctive management options



Criteria for Prioritizing Work
Utilizing Proposition 50 Bond Funding

Questions and Comments

DRAFT PROGRAM PLANS
(Bound Separately)

All draft CALFED Program Plans, as listed below, will be available at the meeting and on the Authority's website at www.calwater.ca.gov.

1. [Ecosystem Restoration](#)
2. [Watershed](#)
3. [Environmental Water Account](#)
4. [Storage](#)
5. [Conveyance](#)
6. [Water Transfers](#)
7. [Water Use Efficiency](#)
8. [Levees](#)
9. [Drinking Water Quality](#)
10. [Science](#)
11. [Oversight and Coordination](#)
12. [Subcommittee Recommendations](#)