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**Agenda Item: 3**  
**Meeting Date: December 7, 2005**

## **CALIFORNIA BAY-DELTA PUBLIC ADVISORY COMMITTEE**

### **2005 STATEMENT OF PROGRAM ACCOMPLISHMENTS AND PROGRESS**

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**Description:** Both State and Federal statutes as well the Record of Decision (ROD) require an annual review of the progress of the CALFED Program. The review is to be completed by November 15 and the results submitted in an Annual Report to the Governor, Secretary of the Interior, Legislature and Congress. The Authority will be asked at its December 8 meeting to adopt a report setting forth the results of the annual review of Program Progress.

**Recommended Action:** The Bay-Delta Public Advisory Committee recommend adoption of the 2005 Statement of Program Accomplishments and Progress, for inclusion in the Annual Report transmitted to the Governor, Secretary of the Interior, Legislature and Congress.

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In past years, the Authority has included in the Annual Report a written "Statement of Program Accomplishments and Progress" (Progress Report). To date, the annual progress review process has not resulted in a finding of imbalance, rather an attempt has been made to address identified areas of concern in the following year's Program Plans.

This year's Progress Report differs significantly from previous years in that it recognizes that many of the schedules established in the ROD have been substantially delayed. Some of the schedules were unreasonable at the outset. Other delays have been due to unforeseen circumstances that have played out since the adoption of the ROD including inadequate funding and lack of funding flexibility, pelagic organism decline (POD), contracting issues and hiring freezes.

In addition, it is obvious that the progress of the CALFED Program to date has not met the expectations of any of the major constituencies. Many of the levees in the Delta are inadequate to provide long-term protection to Delta resources and the State's water supply. The gains envisioned in the Delta ecosystem have not been reached, and threatened fish species such as the Delta Smelt have shown recent precipitous declines. Water quality improvements have been few and far between as a result of

funding shortfalls. There have been gains in water supply reliability but the reliability may be fragile in light of the recent declines in Delta fish populations and the lack of progress on conveyance systems. To some constituents, there is reasonable evidence that this reliability has come at the expense of the environment and that the proposed increases in water exports from the Federal and State projects in the Delta will intensify these impacts.

On the other hand, a number of water agencies, notably the Federal contractors on the west side of the San Joaquin Valley, believe that water supplies promised to them have been unfairly reduced to satisfy environmental demands. Other water agencies worry that their existing and future water supplies are threatened by environmental water demands and increased Delta exports, or that they may be "taxed" to support environmental restoration or the construction of new projects from which they do not believe they will receive commensurate benefit.

While many Program accomplishments have been achieved, and much good work has been completed to date, the Program has not realized the progress or desired outcomes expected in each of the four CALFED Program objectives: levee system integrity, ecosystem restoration, water quality and water supply reliability.

In these circumstances, the State and Federal water and resource leaders will need to make difficult choices, likely disappointing some constituencies without pleasing others at least to the same degree. This year, both as a result of the Governor's plan to revitalize CALFED and as a result of the status of the overall Program, the Authority staff and the implementing agencies have prepared a 10-Year Action Plan Framework. It is anticipated that the full Plan will be released in January concurrent with the release of the Governor's Budget. Attachment 1 contains a summary of the 10-Year Action Plan Framework. It is anticipated that the full Plan will be released by the Governor concurrent with the release of the January Budget.

### **List of Attachments**

Attachment 1 – 2005 Draft Statement of Program Progress, Accomplishments and Priorities

### **Contact**

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## **PROGRAM PROGRESS, ACCOMPLISHMENTS AND PRIORITIES**

The CALFED Record of Decision (ROD) and State and Federal legislation require an annual review of the progress of the CALFED Program and an annual report to the Legislature and Congress on the implementation status of all elements of the CALFED Program for the previous fiscal year.

A firm belief in the promise of CALFED, and concern over its criticism prompted Governor Arnold Schwarzenegger in May to call for:

- An independent fiscal and management review,
- A re-focusing of the efforts of the California Bay-Delta Authority and the other CALFED State agencies on solving conflicts associated with Delta water supply, water quality, levee stability, and the environment, and
- A plan that focuses on solving the highest priority Delta issues, links future water user payments to specific Program actions and includes funding from the State, Federal, and local levels consistent with the beneficiaries-pay principle.

These activities have been completed and their results, findings and recommendations are incorporated into a 10-Year Action Plan Framework.

This Progress and Accomplishments Report begins with a summary of the 10-Year Action Plan Framework. The Action Plan Framework is followed by a synopsis of the CALFED Program's progress (last five years), accomplishments in 2005-2005 (Year 5) and Program priorities for 2005-2006 (Year 6). A more detailed description of Program accomplishments is provided in the 2005 Annual Report.

### **10-YEAR ACTION PLAN FRAMEWORK SUMMARY**

The 10-Year Action Plan Framework was prepared by the California Bay-Delta Authority, in coordination with State and Federal CALFED agencies and stakeholders. The Framework incorporates actions responsive to the results and findings made as part of the independent review by the Department of Finance, the Little Hoover Commission and management consultant, KPMG. The reader is directed to the CALFED website [www.calwater.ca.gov](http://www.calwater.ca.gov) for copies of specific reports from the Department of Finance, the Little Hoover Commission and KPMG.

The summary begins with an overview of (1) governance, followed by (2) program and fiscal management and (3) a re-focusing of CALFED priorities and concludes with a discussion about (4) near- and long-term funding.

## 1. Governance

As a result of the independent review of governance conducted by the Little Hoover Commission, the administration is proposing several key changes:

- **REESTABLISH THE POLICY GROUP.** State and federal agencies will establish a new state/federal agency group modeled after the Policy Group. This group will be comprised of the directors of the state and federal implementing agencies of the CALFED Program, and will be responsible for implementation of CALFED projects and programs. The group will be chaired by a state lead (Secretary for Resources) appointed by the Governor, and a federal lead appointed by the Secretary of the Interior. A Memorandum of Understanding will be prepared by June 2006 formalizing the creation of this group.
- **ELIMINATE THE AUTHORITY BOARD – ESTABLISH INDEPENDENT OVERSIGHT.** The Little Hoover Commission identified several options for Legislature to provide independent oversight of the CALFED Program including: formation of a joint select committee on CALFED, appointment of an inspector general and the establishment of expert oversight and advisory body. An additional option is legislative appointments to the state/federal advisory committee. This plan recommends that the California Bay-Delta Authority Board be eliminated and that the Administration work with the Legislature to establish a mechanism for independent oversight.
- **ESTABLISH A STATE/FEDERAL ADVISORY COMMITTEE.** This plan recommends that the state administration work with the federal partners to establish an advisory committee to advise and make recommendations to both the state and federal implementing agencies through the re-formed policy group. This advisory committee would replace the current federally chartered Bay-Delta Public Advisory Committee, and ensure that stakeholder groups not currently represented such as business and regional governments are included.
- **REASSIGN CBDA STAFF.** Move the staff of CBDA to the Resources Agency to operate under the direction of the Secretary for Resources as the state lead in support of the policy group.
- **CREATE LEGISLATION TO SUPPORT CHANGES IN CALFED GOVERNANCE.** Support legislation that would modify the existing California Bay-Delta Authority Act of 2003 to be consistent with the recommendations in this plan.

## 2. Program and Fiscal Management

Based on information and reviews by the Department of Finance, the Little Hoover Commission and an independent consultant assessment of CALFED and the California Bay-Delta Authority, the administration will strengthen and improve strategic planning, fiscal management and reporting, program management performance and tracking, interagency coordination and science. Specific changes include:

- **REORGANIZE CBDA.** Reorganize the California Bay-Delta Authority staff to meet the increased emphasis on strategic planning, program management and science.
- **COMPLETE TRANSITION OF ECOSYSTEM RESTORATION PROGRAM (ERP).** Consistent with the objective of accountability for the implementing agencies, complete the transition of ecosystem restoration implementation from CBDA to the Department of Fish and Game.
- **STRATEGIC PLANNING.** Consistent with an increased emphasis on strategic planning, improve annual program planning by the implementing agencies and annual and periodic reporting of Program progress by CBDA.
- **PERFORMANCE-BASED PROGRAM MANAGEMENT.** Under the guidance of the policy group, implementing agencies and CBDA will coordinate to establish standard performance-based program management methods. These methods will include: results-oriented performance measures, performance-based management tools, standardized data management, annual reporting and continuous business process review.
- **COMMUNICATIONS PLAN.** Develop and implement a communications plan which will address the need to convey the significance of the Delta and the CALFED Program to California's citizens, its economy and its environment, along with the need to collect and report fiscal and program information from across program elements and departments to a diverse set of audiences. Included with the communication plan will be periodic status reports for projects and programs within the CALFED-Delta focus. Projects and programs in Integrated Regional Water Management areas will provide annual updates on status of activities.
- **FISCAL MANAGEMENT AND TRACKING.** In coordination with the implementing agencies, develop common fiscal management and reporting systems which allow for consistent and reliable tracking of Program funds to the task level across all program elements and departments. Additionally, there is a need to establish a CBDA infrastructure and processes to compile and report this information.
- **SCIENCE AND ADAPTIVE MANAGEMENT.** Implementing agencies under the general guidance of the CBDA Science Program will integrate science into their project and program activities and will establish project and program level performance measures by which progress on project and program activities can be evaluated.

### 3. Re-focused CALFED Program and Program Priorities

The administration and the federal government are proposing to organize the activities under the CALFED Program into two groups:

- CALFED-Delta actions
- Integrated Regional Water Management (IRWM) actions

CBDA and implementing agency staff developed criteria to determine which activities would be deemed CALFED-Delta actions. Actions that generally fall within the focus of

CALFED Delta actions are those that have a direct effect on the Delta, or that address issues relevant to the health of the Delta ecosystem, increase Delta-related water supply reliability, reduce Delta conflict or contribute to multiple CALFED objectives or provide multiple benefits. Those activities that have a broader statewide focus or are indirectly linked to Delta conflict or benefits are generally grouped with other IRWM actions. Proposed Delta actions and IRWM actions are noted in the following table.

CALFED-Delta Actions	IRWM Actions
<ul style="list-style-type: none"> <li>• Ecosystem Restoration Element</li> <li>• Environmental Water Account Element</li> <li>• Levee System Integrity Element</li> <li>• Science Element</li> <li>• Storage Components:                             <ul style="list-style-type: none"> <li>○ Surface Storage Investigations</li> <li>○ San Luis Low Point Project</li> </ul> </li> <li>• Water Quality Components:                             <ul style="list-style-type: none"> <li>○ Regional ELPH planning</li> <li>○ Central Valley Drinking Water Policy</li> <li>○ Franks Tract</li> <li>○ San Joaquin River Salinity Management</li> <li>○ Relocation of M&amp;I Intakes</li> <li>○ ELPH implementation</li> <li>○ Environmental Water Quality including mercury, dissolved oxygen and toxicity</li> </ul> </li> <li>• Conveyance Components:                             <ul style="list-style-type: none"> <li>○ South Delta Improvements Project</li> <li>○ State Water Project/Central Valley Project Intertie</li> <li>○ South Delta Fish Protection studies</li> <li>○ Recirculation</li> <li>○ Delta Cross Channel/Through-Delta studies</li> </ul> </li> <li>• Interagency Coordination and Planning</li> </ul>	<ul style="list-style-type: none"> <li>• Water Use Efficiency Element</li> <li>• Water Transfers Element</li> <li>• Watershed Management Element</li>   <li>• Storage Components:                             <ul style="list-style-type: none"> <li>○ Groundwater Storage</li> </ul> </li> <li>• Water Quality Components:                             <ul style="list-style-type: none"> <li>○ New treatment technology pilots</li> <li>○ Non-point Grants</li> <li>○ California Aqueduct Watershed Actions</li> </ul> </li> <li>• Conveyance Components:                             <ul style="list-style-type: none"> <li>○ Lower San Joaquin River Flood Control Project</li> </ul> </li> <li>• Working Landscapes</li> </ul>

IRWM actions may include water quality, local surface water, groundwater, conservation, recycled water, conveyance, ecosystem restoration and science actions, including some activities which fall into the category of CALFED-Delta actions.

Although the IRWM actions will receive less focus within the CALFED forum, statewide progress in implementing these actions, including securing adequate funding support, will remain essential to the overall success of the CALFED Program. IRWM actions will be implemented in a manner that is consistent with the intent of the CALFED ROD. The implementing agencies will be working cooperatively to establish a process to transition activities from CALFED-Delta actions to IRWM actions. This process will address the need to establish alternative mechanisms for public input, transparency and reporting.

### **Major Actions.**

The CALFED ROD identified nearly 300 separate actions to be completed during Stage 1 (first seven years). However, policymakers have requested a subset of these actions that can be tracked as priority actions and as an indicator of overall Program status. A sample of the key actions over the next three to four years includes:

- Implement ERP actions to protect and restore pelagic organisms and other dependent at-risk species in the Delta.
- Install operable gates in the Delta.
- Continue Delta levee subventions and complete Delta Risk Management Study, together with an implementation plan and schedule for Delta levees.
- Implement Delta Improvements Plan (DIP) actions
- Complete key studies for surface storage, regional ELPH (equivalent level of public health), Franks Tract Pilot feasibility and design and Delta Regional Ecosystem Restoration Implementation Plan.
- Implementation of San Joaquin River Salinity Management.

### **End of Stage One Decisions**

The CALFED ROD identified several questions that need to be answered after the first seven years of the Program, near the end of Stage 1:

- Will additional actions be needed to achieve the drinking water quality goals?
- What is an appropriate scope for the ERP and related actions so the regulatory commitments can be extended beyond December 2007?
- Should the screened Sacramento River diversion be built or should alternatives to the Through-Delta conveyance approach be reconsidered?
- Should surface storage facilities be constructed?
- Is a new approach needed to reduce Delta levees risks?

To address these questions, policy-makers will need access to the best available technical information. Accordingly, the ROD called for a number of studies and investigations, timed to be completed during Stage 1, which will provide this foundational information including: Delta regional ecosystem planning, water quality modeling and conveyance feasibility studies.

To be able to make the decisions necessary at the end of Stage 1, the implementing agencies through the proposed reinstated policy group will begin a synthesis task in

early 2006 that will be designed to gather and integrate information generated from the studies that are underway. The synthesis task will be completed by mid-2008 to coincide with the schedule for several end-of-Stage 1 decisions.

### **Creating a 100 Year Delta Vision**

Numerous activities and investments are underway now to protect and restore the Sacramento-San Joaquin Delta, including protection of Delta levees, restoration of the Delta ecosystem and scientific research to better understand how the Delta works. To ensure protection of Delta resources into the future, an integrated and sustainable long-term vision for the Delta must be created which integrates water and environmental planning with agriculture, transportation, energy and land use. It is anticipated that a long-term vision for the Delta would address the next 100 years.

- **DELTA VISION SCIENCE PANEL.** As an initial step to this process, the CBDA Science Program will convene a small panel of science experts to review and synthesize the latest relevant scientific information relative to the Delta. The science panel will review, summarize and synthesize research and scientific work performed to date in the Delta along with other pertinent literature, enlisting input from other Delta science experts when needed. Information from the science panel will be used to inform the development of scenarios or options for a new Delta Vision.
- **DELTA VISION PUBLIC PROCESS.** The administration will develop an open collaborative public process involving local government and stakeholders to create a 100-year vision for the Delta, including land use and transportation. Work on the Delta Vision process will begin in January 2006, with a framework complete by December 2006 and a completed Delta vision by December 2007.

### **Develop an HCP/NCCP for the Sacramento River, San Joaquin River and the Delta.**

Changes in available CALFED funding and the need to enable water supply, water quality, ecosystem and levee projects to progress within a stable regulatory framework have led to an agreement to pursue a new regulatory structure. Habitat Conservation Plans (HCP) under Section 10 of the Federal Endangered Species Act and a Natural Communities Conservation Plans (NCCP) under the California Endangered Species Act for the Sacramento River, San Joaquin River and the Delta are proposed. Such HCP/NCCP(s) would provide regulatory and funding assurances for integrated implementation of the CALFED Program and may actually increase the funding available for ecosystem restoration actions.

The planned agreement calls for a phased approach to the development of HCP/NCCP(s). Work on the HCP/NCCP(s) will begin in January 2006. The first step will be the negotiation of a Planning Agreement. This Planning Agreement will identify which activities the parties would like to have covered by the HCP/NCCP, what the geographic scope would be and which species would be covered. Parties currently plan to address water management activities related to the storage and diversion of water in the Sacramento and San Joaquin systems as well as in the Delta and Suisun Bay. They plan to seek coverage for fish and wildlife species found directly in the water and

adjacent riparian areas that are directly impacted by the covered activities. The geographic scope would extend from Suisun Bay upstream to include the range of the identified species. The Planning Agreement is targeted for completion in 2006.

#### **4. Finance Plan**

##### **Years 6-8 Near-Term Funding Plan.**

The funding plan for the CALFED Program for the near term is designed to get the Program through the next three years by primarily relying on existing available funding. Additional funds are proposed only for the most critical actions that are needed, either for policy-makers to have adequate information to make decisions about the future of the Program, or to maintain a minimum level of effort to keep a balanced Program in the interim. Of the approximately \$1 billion needed, roughly 75 percent of the funding is already in place.

Actions need to be taken to obtain the remaining 25 percent of the necessary funding. Specifically, budget proposals need to be included in the Governor's FY 2006-07 Budget, federal funds need to be included in the President's future budgets and supported by Congress, and additional water user contributions need to be provided for key actions.

##### **Future Funding Plan**

Each CALFED-Delta Focus program has some variability in the future resulting in a seven-year range of costs of between \$2 billion and \$6 billion. Most programs have funding ranges that are dependent on future decisions (Delta Risk Management Study, Surface Storage feasibility studies, Equivalent Level of Public Health planning and a 100-Year Delta Vision). A few programs (science and interagency coordination) have a funding range based on how aggressively program actions are implemented.

## **Program Element Progress and Accomplishments**

In past years, the Authority has included in the Annual Report a written "Statement of Program Accomplishments and Progress" (Progress Report). To date, the annual progress review process has not resulted in a finding of imbalance, rather an attempt has been made to address identified areas of concern in the following year's Program Plans.

This year's Progress Report differs significantly from previous years in that it recognizes that many of the schedules established in the ROD have been substantially delayed. Some of the schedules were unreasonable at the outset. Other delays have been due to unforeseen circumstances that have played out since the adoption of the ROD including, inadequate funding and lack of funding flexibility, pelagic organism decline (POD), contracting issues and hiring freezes.

In addition, it is obvious that the progress of the CALFED Program to date has not met the expectations of any of the major constituencies. Many of the levees in the Delta are inadequate to provide long-term protection to Delta resources and the State's water supply. The gains envisioned in the Delta ecosystem have not been reached, and threatened fish species such as the Delta Smelt have shown recent precipitous declines. Water quality improvements have been few and far between as a result of funding shortfalls. There have been some advances toward improvements in water supply reliability but the reliability may be fragile in light of the recent declines in Delta fish populations and the lack of progress on conveyance systems. To some constituents there is reasonable evidence that this reliability has come at the expense of the environment, and that the proposed increases in water exports from the Federal and State projects in the Delta will intensify these impacts.

On the other hand, a number of water agencies, notably the Federal contractors on the west side of the San Joaquin Valley, believe that water supplies promised to them have been unfairly reduced to satisfy environmental demands. Other water agencies worry that their existing and future water supplies are threatened by environmental water demands and increased Delta exports, or that they may be "taxed" to support environmental restoration or the construction of new projects from which they do not believe they will receive commensurate benefit.

While many Program accomplishments have been achieved, and much good work has been completed to date, the Program has not realized the progress or desired outcomes expected in each of the four CALFED Program objectives: levee system integrity, ecosystem restoration, water quality, and water supply reliability.

In these circumstances, the State and Federal water and resource leaders will need to make difficult choices, likely disappointing some constituencies without pleasing others at least to the same degree. This year, both as a result of the Governor's plan to revitalize CALFED and as a result of the status of the overall Program, the Authority

staff and the implementing agencies prepared the previously discussed 10-Year Action Plan Framework.

In spite of the schedule delays, the CALFED agencies, with the support of the Bay-Delta Public Advisory Committee (BDPAC) and the Authority, have made substantial progress implementing the CALFED Program during the first five years and have sizable accomplishments to report for Year 5.

### **Levee System Integrity Program**

Hurricanes along the Gulf Coast and last year's levee failure at Jones Tract have accentuated the focus and concerns about the stability of Delta levees. DWR is entering the second year of its multi-year study to evaluate the potential risk of Delta levee failure due to sea level rise, land subsidence and earthquakes. In the first year, Phase 1 of the Delta Risk Management Study was completed and the results highlighted additional risk potential from the current configuration of levees. In the first five years of the CALFED Program, CALFED agencies:

- Increased protection for as well as maintained 600-700 miles of Delta Levees;
- Improved stability on more than 45 levee miles;
- Reused 1.3 million cubic yards of dredged material for levee stability and habitat development;
- Created over 33 acres of riparian and wetland habitat along with 16,000 linear feet of shaded riverine aquatic habitat.

In Year 5, the CALFED agencies:

- Continued working with the U.S. Geological Survey on a subsidence demonstration project on Twitchell Island to determine relationships between biomass accumulation, sediment deposition, and water management;
- Implemented emergency response activities for the flooding of Upper and Lower Jones Tract. Participated in additional emergency actions on Twitchell Island, Van Sickle Island, Bradford Island, and Simmons-Wheeler Island in the Suisun Marsh;
- Reused approximately 100,000 cubic yards of dredged material for levee stability and habitat management; and
- Completed Phase I of the Seismic Risk Management Analysis. Phase II will be underway in late 2005.

### **Conveyance Program**

The continued guidance of the Science Program has led to additional information regarding the movement of fish, water, sediment and salt in the Delta. The information will help guide operations of Delta facilities to better protect fish and water quality while providing reliable water supplies. The proposed Conveyance Program actions are continuing the planning phase of their development including several components linked to the Delta Improvements Package such as increased State Water Project permitted pumping capacity from the Delta to 8500 cubic feet per second (cfs), construction of permanent operable gates in the South Delta, construction of an intertie between the State Water Project (SWP) and the Central Valley Project (CVP) and the Delta Cross-

Channel Re-Operation and the Through-Delta Facility Study. The Temporary Barriers continue to be installed in the South Delta and construction of the Delta Mendota Canal/California Aqueduct Intertie should begin within the year.

In Year 5, the CALFED agencies have:

- Prepared and intend to release a draft EIR/EIS on installing Permanent Operable Gates and increasing permitted SWP pumping capacity to 8,500 cfs;
- Completed an environmental assessment and Initial Study for the Delta-Mendota Canal/California Aqueduct Intertie Project. Initiated final design of a 450 cfs intertie.
- Started a multi-year hydrodynamic study to better understand the movement of water, fish and water quality in the South Delta and at the Delta Cross-Channel to determine the feasibility of implementing operational as well as physical improvements to protect fish and water quality in the Delta;
- Initiated fish collection, handling, transportation and release studies to better understand the affect of SWP and CVP fish salvaging facilities on Delta smelt and evaluate potential improvements in salvaging techniques;
- Completed studies on the swimming and passage performance of adult sturgeon for a potential Through-Delta Facility;
- Initiated a pre-feasibility study on the technical viability of alternatives for a Through-Delta Facility; and
- The South Delta Fish Facility Forum finalized a report containing recommendations on fish facility improvements at Tracy and Clifton Court.

### **Water Storage Program**

Work has progressed on surface storage investigations for all five projects. The DWR and the U.S. Bureau of Reclamation (USBR) released the CALFED Bay-Delta Program Surface Storage Investigations Progress Report in April 2005. The report notes that initial alternatives information reports have been completed for the Shasta Lake Water Resources Investigation (SLWRI), Upper San Joaquin River Basin Storage Investigation (USJRBSI) and for Los Vaqueros Reservoir Expansion and is under way for North of Delta Offstream Storage (NODOS). A State draft feasibility report was completed for In-Delta Storage Project (IDSP). Additionally, environmental compliance activities are underway for NODOS, SLWRI and USJRBSI. Environmental documents have been completed for IDSP; however, supplemental documents are anticipated. Finally, the Report notes that the CALFED Storage Program is refining project alternatives and evaluating the level of potential participant interest. Potential State and Federal benefits that need to be explored include broad public benefits, provided by surface storage projects, such as EWA and ecosystem restoration flows.

DWR has entered into 22 Memoranda of Understanding (MOU) with local agencies throughout the State to provide technical, facilitation, and financial assistance to plan and develop conjunctive water management programs and projects. Sixty-two groundwater storage and recharge grants and loans, for feasibility studies, pilot projects

and construction, were awarded \$205 million and 22 have been completed. An additional \$45 million in grant funds were awarded for conjunctive use development in Southern California. The Local Groundwater Assistance Program awarded \$27.8 million for 129 projects. Coupled with local cost shares for projects, total investment in the groundwater storage program amounts to over \$1 billion dollars. The projects are estimated to deliver between 300-350 thousand acre-feet of water per year.

In Year 5, the CALFED agencies:

- Completed a supplemental report in response to written and public hearing comments received on the 2004 In-Delta Storage Program State Draft Feasibility Study. The 2004 Jones Tract flooding event allowed DWR to collect information on property damage, seepage to adjacent islands, and drinking water quality impacts for use in future modeling studies.
- Filed a Notice of Intent to prepare the Shasta Lake Water Resources Investigation EIS. Six public scoping meetings were held to solicit public input on topics to be addressed in the integrated SLWRI planning report and EIS, including resources to be evaluated, alternatives to be considered, and significant concerns and issues.
- Continued environmental field studies and water operation modeling for the Los Vaqueros Reservoir Expansion and North-of-the-Delta Offstream Storage projects.
- Completed scoping report, draft report on conjunctive management opportunities for the Upper San Joaquin River Basin Storage Investigation.
- Developed a collaborative working relationship between Santa Clara Valley Water District and the Delta Mendota Canal Authority aimed at defining the without the project condition for the San Luis Reservoir Low Point Improvement Project. An appraisal report is expected to be released in January 2006.
- Awarded \$6.4 million for 28 Local Groundwater Management Assistance feasibility studies/pilot projects.

### **Watershed Program**

During the first five years, the CALFED agencies awarded three rounds of competitive grants. A total of 116 grants were funded for a little less than \$50 million dollars. Fifty-three of the projects have been completed. Beginning in 2003 and continuing through 2007, the Program element funded, through the Department of Conservation (DOC), 48 statewide watershed coordinators for \$3 million per year. Progress noted by DOC includes \$6.2 million of other grant and project funds have brought into the program by the Coordinators. Finally, the Program has developed watershed assessments covering approximately 10,000 square miles and watershed management plans covering approximately 15,600 square miles in various watersheds throughout the CALFED regions.

In Year 5, the CALFED agencies, in cooperation with the California Department of Forestry:

- Began efforts to spatially display Timber Harvesting Plans (THPs) for the northern portion of the CALFED Solution Area. CDF has spatially captured at least ten years of THP history for most of the rest of the State;

- Provided support in the interpretation of geographic information systems (GIS) data layers and on resources assessment issues to the Millerton Watershed Association, the Butte Creek Watershed Council, and the American River Watershed Council;
- Completed the California Watershed Assessment Guide and the first eight of nine chapters of Volume I of the California Watershed Assessment Manual; and
- Completed in conjunction with the U.S. Forest Service, the baseline vegetation data collection for 8 million acres of upland watershed lands in the CALFED solution area. This work establishes a baseline vegetation database in the Bay Area, South Sierra and Central Coast project areas.

### **Drinking Water Quality Program**

The Program has awarded \$76 million during the first five years. A total of \$41 million was awarded to 54 successful applicants for competitive grants. The remaining \$33 million were designated in legislation for 3 projects to treat or relocate agricultural discharges affecting the Contra Costa Water District, and for a water exchange partnership between the San Joaquin Valley and the Metropolitan Water District of Southern California.

There are 16 additional projects (\$18.1 million) that contribute to the Drinking Water Quality Program (DWQP) and are tracked as DWQP projects for purposes of meeting Program commitments. These projects were funded by other CALFED Program elements (Ecosystem Restoration, Watershed, and Conveyance), as well as the US EPA. The majority of projects (40) and nearly half the funding was for source controls in the Delta. The second largest group of projects (14) was to control runoff in the California Aqueduct and similar conveyances.

In Year 5, the CALFED agencies:

- Adopted a resolution supporting the development of a drinking water policy for the Sacramento and San Joaquin Delta and upstream tributaries. This effort has been funded by the California Urban Water Agencies, Sacramento Regional County Sanitation District, Sacramento Watershed Monitoring Program, CAL EPA and CALFED. Drinking water policy technical studies have compiled a drinking water quality database and begun development of conceptual models.
- Approved a total maximum daily load (TMDL) to control salt and boron discharges into the lower San Joaquin River. The TMDL will now go to the SWRCB and the US EPA for approval as an amendment to the Water Quality Control Plan (Basin Plan).
- Identified regional planning as a high priority for the Program. Pilot regional drinking water quality management plans were developed for Southern California, Northern Sacramento Valley, Delta and Bay Area Regions.
- Completed initial Water Quality Program Assessment.
- Completed construction of a permanent monitoring station on the San Joaquin River near Vernalis, purchased and installed real-time water quality monitoring equipment at key Delta and water project locations.
- Completed important studies of drinking water constituents of concern in the SWP system and application of advanced water treatment technologies.

- Supported development of a San Joaquin River dissolved oxygen TMDL adopted by the SWRCB and a pilot aeration implementation project.

### **Environmental Water Account**

In its first five years, the Environmental Water Account (EWA) has acquired a little over 1 million acre-feet of water, available at a cost of approximately \$156 million, for fish protection measures while maintaining water deliveries to farms and cities. The EWA agencies completed an evaluation of the efficacy of the EWA during the first four years of implementation and signed an MOU to extend the EWA Operating Principles and to continue implementing the EWA through December 31, 2007.

In Year 5, approximately 150,000 acre-feet were acquired by CALFED agencies. Final environmental documents and a Record of Decision were completed for the acquisition and management of EWA assets between 2004 and 2007 and preparation of an environmental document for acquisition of EWA assets after 2007 continues. DWR entered into a partnership with Yuba County Water Agency, State and Federal fishery agencies and the CVP water contractors that will result in long-term water supplies for EWA.

### **Water Use Efficiency Program**

In the first five years, 272 agricultural and urban water conservation projects and recycling and desalinization projects were funded, for a total of \$904 million in local State and Federal funds. The agricultural and urban grant recipients reported that they expected the projects to potentially yield 90,000 acre-feet. Water recycling and desalinization recipients reported they expect their projects to yield 387,000-510,000 acre-feet and 20,000 acre-feet, respectively.

In Year 5, the CALFED agencies:

- Created and implemented the Water Management Science Board;
- Developed and introduced administrative measures and legislation to implement Appropriate Water Use Measurement for agricultural and urban uses;
- Released agricultural and urban Water Use Efficiency (WUE), recycling and desalination grant solicitation packages;
- The State awarded approximately \$17 million for 47 Urban Conservation Projects with an expected yield of approximately 31,000 acre-feet; approximately \$11.8 million for 28 Agricultural Conservation Projects with an expected yield of approximately 29,000 acre-feet; and approximately \$25 million for 25 desalinization projects with an expected yield of approximately 20,000 acre-feet.
- USBR awarded approximately \$1 million for agricultural water conservation grants and cooperative agreements and approximately \$15 million for financial and technical assistance for water conservation, water recycling and desalination;
- Natural Resource Conservation Service provided an estimated \$5 million in cost share incentive payments to encourage installation of water conservation practices;
- Provided \$3.7 million in technical assistance to local agencies.

### **Water Transfers Program**

In the first five years of the CALFED Program, over 3.8 million acre-feet of water was transferred for the EWA, DWR Dry Year Program, Central Valley Project Improvement Act (CVPIA) Transfers and the Colorado River Contingency Plan. In Year 5, the CALFED agencies were able to track and assist in the transfer of approximately 300,000 acre-feet of water including water for the EWA.

### **Ecosystem Restoration Program**

In the past eight years, ERP has made significant progress improving habitat and species associated with the Bay-Delta and its watersheds. During those eight years, the CALFED agencies:

- Awarded more than \$540 million for 460 projects. To date, 261 projects (approximately 58 percent) have been completed--most from the pre-ROD years prior to 2000-01. Grant recipients reported approximately \$285 million of matching funds which result in a combined total of approximately \$825 million.
- Met or are ahead of schedule for nearly 80 percent of the 119 ecosystem milestones provided for in Stage 1. More than 40 percent of ERP actions address priority Multi-Species Conservation Strategy (MSCS) species listed in the milestones.
- Protected or restored approximately 100,000 acres of habitat. Some examples:
  - CALFED-funded cooperative projects are contributing to the restoration and protection of 7,000 acres of wetlands in San Pablo Bay and Suisun Marsh, exceeding the Stage 1 target for tidal marsh restoration in San Pablo Bay.
  - More than 50,000 acres of seasonal wetlands in the Sacramento River Region are being enhanced, protected or restored.
  - Approximately 500 acres of fresh emergent wetland in the San Joaquin River Region are being enhanced, protected or restored.
- Installed or improved 68 fish screens.
- Delisted the Sacramento Splittail.
- Underwritten the protection of 54,000 acres of agricultural land, largely through easements: For example, more than 11,000 acres of wildlife friendly agriculture was protected in the Delta, meeting the Stage 1 target for the region

In Year 5, the CALFED agencies:

- Funded 7 projects, for a combined total of a little over \$15 million.
- Selected 5 projects that will monitor and evaluate previously funded ecosystem restoration projects. The projects will be funded for a combined total of about \$6.1 million.
- Are considering 8 additional projects to monitor and evaluate existing restoration actions and 4 for baseline fish and water monitoring. Total award could amount to approximately \$9.3 million.
- Re-focused efforts in Years 6 and 7 Program Plans on high priority activities to address problems of the Pelagic Organism Decline.

### Science Program

In its first five years, the Science Program has been involved in an intensive effort to improve the understanding of the Bay-Delta System, as well as improve the application of science in all of the CALFED programs. Outcomes to date include:

- Appointed an Independent Science Board;
- Established an EWA Science Panel;
- Funded 19 directed research projects totaling approximately \$10 million;
- Funded and convened 30 workshops dealing with CALFED priority issues;
- Sponsored three biennial science conferences;
- Produced 46 reports and white papers on a wide range of topics with emphasis on water operations and species of interests;
- Published the journal *San Francisco Estuary and Watershed Science*; and
- Published *Science-in-Action* to bring important scientific information and understanding to the general public.

In Year 5, the Science Program:

- Funded over \$12 million in projects through its first Proposal Solicitation Package (PSP)
- Organized the third Biennial CALFED Science Conference and produced a summary report highlighting key scientific information and management implications
- Published two volumes of new scientific findings relevant the Bay-Delta in the *San Francisco Estuary and Watershed Science*
- Co-sponsored the seventh Biennial State of the San Francisco Estuary Conference
- Organized two issue-specific workshops and two review efforts, including an extensive, three workshop review of the San Joaquin River representation in the CALSIM II model
- Established 7 new State funded positions to support Program function

### Oversight and Coordination

The California Bay Delta Authority staff was extensively involved in efforts to address the actions called for in the Governor's May budget revision. These efforts were reported on early in this report.

In addition, the Authority:

- Provided an important public forum for discussions surrounding the CALFED Revitalization efforts, Delta water projects, science activities, Program Plans and progress and agency grant awards.
- Continued support for the Bay-Delta Public Advisory Committee.
- Coordinated implementation of Environmental Justice and tribal activities across all Program elements and agencies.
- Provided oversight for the preparation of Program Plans prepared by implementing agencies; and
- Promoted the development and implementation of regional programs

## **Priorities - Year 6**

Federal funds for Delta Levees – Obtain Federal appropriation of funds for Delta levee improvements. The CALFED Bay-Delta Authorization Act authorized \$90 million to the U.S. Army Corps of Engineers for Delta levee improvements. Appropriation of these funds, along with a mixture of State and local funds, will go a long way towards ensuring continued progress.

CALFED Revitalization – Implement the outcomes of the CALFED Revitalization efforts: In particular, the 10-Year Action Plan including the development of a 100-Year Delta Vision and a new regulatory structure consisting of a Habitat Conservation Plan (HCP) under Section 10 of the Federal Endangered Species Act and a Natural Communities Conservation Plan (NCCP) under the California Endangered Species Act and implementing the near-term funding plan designed to secure funds for critical programs.

Pelagic Organism Decline – Identify the factors causing the decline. In the past few years, there have been marked declines in the abundance of a number of pelagic organisms in the San Francisco Bay/Sacramento-San Joaquin Delta Estuary. The Interagency Ecological Program has developed an action plan to identify the factors causing the decline

Delta Improvements Package – Continue implementation of the Delta Improvements Package. The State and Federal agencies are coordinating their assumptions and schedules to move forward with a set of activities focused on the Delta.