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California Bay-Delta Public Advisory Committee

2004 Multi-Year Program Plan Development

Meeting Date: March 11, 2004
Agenda Item: 4

Description: This report provides information on the multi-year program planning process. Multi-Year Program Plans, which describe implementation of each of the 11 program elements over the next few years, will be presented to BDPAC in May.

Recommended Action: This is an informational item only. No action will be taken.

Background

The California Bay-Delta Authority Act of 2003 requires the Authority to annually review and approve Multi-Year Program Plans and long-term expenditure plans. The program planning process provides the forum to describe what has been accomplished, identify issues or problems and propose steps for resolving the issues; identify available funding and additional funding needs, and to ensure cross program integration and balance is occurring in the Program.

Process Overview

Each year Authority staff oversees and coordinates preparation of the Multi-Year Program Plans. These plans are prepared by the implementing agencies with the assistance of the BDPAC subcommittees and the public, beginning in January, and are submitted to BDPAC in May and the Authority in June for their consideration. Each program plan reflects the proposed State budget reflected in the Governor's January budget. However, this year proposes a unique challenge to the program planning process due to the atmosphere of uncertainties relating to the budget, the deferral by the Governor on including bond funds in the budget, and the ongoing review and revision of Program targets.

Program accomplishments and priorities are presented in the Multi-Year Program Plans, which in turn provide information used in assessing Program progress and preparing the Authority's Annual Report. Detailed information on expenditures, schedules, and accomplishments is kept by the implementing agencies and reported in the Authority's Tracking report. The Tracking Report and the Annual Report all interact and coordinate with the Multi-Year Program Plans to ensure an open and detailed flow of information to the public, BDPAC, and the Authority on the status of the CALFED Program.

The Multi-Year Program Plans will be reviewed through the respective BDPAC subcommittees for comment before the subcommittees submit recommendations to BDPAC. BDPAC is scheduled to review and provide a recommendation for the Authority at its May 13, 2004 meeting, to be approved by the Authority at its June 10, 2004 meeting.

Agency Process to Revise Targets

The CALFED Program entered its implementation phase in August 2000 when the CALFED Record of Decision (ROD) was signed by more than 20 State and Federal agencies. The ROD provided a foundation for cooperative implementation of the CALFED Program and a detailed set of actions to be accomplished over the first seven years of implementation. These actions were designed to help meet the four fundamental goals of the CALFED Program: 1) Ecosystem Quality, 2) Water Supply Reliability, 3) Water Quality, and 4) Levee System Integrity.

Most of the actions presented in the ROD included intended outcomes (many of them presented in quantitative terms) and completion dates or milestones. These outcomes and milestones combined to create a set of targets that implementing agencies have attempted to meet over the last three years.

However, it is becoming increasingly clear that the targets should be reevaluated and in many cases changed according to our current reality. In some cases the targets should be adjusted to reflect the current budget situation. In other words, we don't have the money to accomplish what we were expecting back in 2000. In other cases the targets should be adjusted because we have better information about the linkages between our actions and achieving our goals.

At their September 2003 meeting, the Bay-Delta Public Advisory Committee (BDPAC) recommended that the targets related to each program element be reevaluated in light of our most current budget and technical information. Members also reminded Authority and implementing agency staff that the four fundamental CALFED Program goals have not changed and that the renewed targets should still move toward meeting those goals.

At the October and December 2003 meetings of the California Bay-Delta Authority, several Authority members directed their staff to work diligently on the target reevaluation/revision process. Consistent with that direction, the Multi-Year Program Plans will include detailed descriptions of how each program element is reevaluating their targets.

List of Attachments

Attachment 1 – Progress Report – Reviewing and Revising Program Targets

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Attachment 1
California Bay-Delta Authority
Progress Report
Reviewing and Revising Program Targets

This document provides a report of progress of activities to review and where appropriate revise program targets.

WATER SUPPLY RELIABILITY

The CALFED Program's water supply reliability goal includes objectives to increase California's useable water supplies, improve in-stream flows, and improve water quality. These objectives are being addressed by five Program elements:

- Storage (includes surface and groundwater storage)
- Conveyance
- Water Transfers
- Water Use Efficiency (includes agricultural and urban conservation and water recycling)
- Environmental Water Account

Each of these Program elements is taking a slightly different approach to reviewing and revising program targets.

Surface Storage

The surface storage element is currently conducting in-depth studies to determine the expected costs and benefits of five projects:

- Enlarged Shasta Reservoir
- North of Delta Off-Stream Storage
- In-Delta Storage
- Expanded Los Vaqueros Reservoir
- Upper San Joaquin Storage

Because these projects are in their planning phases, they have two tiers of targets: 1) planning milestones; and 2) expected costs and benefits.

Planning milestones, the first tier of the targets, are represented by the current planning schedule for each storage investigation. Examples of surface storage planning milestones include:

- Hydrologic Modeling
- Economic Modeling
- Feasibility Study
- Draft EIS/EIR
- Final EIS/EIR

Final EIS/EIRs for the five projects are expected to be completed by mid-2006. The planning milestones have been continually reviewed and at times revised during these first four years of implementation. However, given the interest in renewed targets and State and Federal budget crises, USBR and DWR storage investigations teams are currently reviewing these schedules and expect to revise them by spring 2004.

The second tier of surface storage targets is an analysis of the expected costs and benefits of each surface storage project. This information will be developed through hydrologic and economic modeling and through detailed impacts and benefits analyses. These analyses are expected to be completed between late 2005 and mid-2006. DWR and USBR are currently preparing a detailed project analysis report for In-Delta Storage and plan to seek guidance from the Authority in June on whether to continue the same level of effort on the other project studies.

Groundwater Storage

The groundwater storage program revolves around support of local control of locally developed groundwater basin management projects. DWR has been successful in developing many cooperative agreements with local groundwater management entities and has successfully awarded groundwater planning and implementation grants for construction projects totaling over $121 million. Local recipients of groundwater grants have estimated that their projects will collectively develop an average annual groundwater storage yield of over 140 thousand acre-feet.

Groundwater targets established in the ROD called for the development of 500,000 to one-million acre-feet of groundwater storage. This general target should be revised to accommodate the following issues:

Yield compared to capacity*:* Most grant-funded projects have reported their potential benefits as "groundwater yield." This is not directly comparable to "groundwater storage capacity." Capacity generally refers to the total maximum volume of water that can be stored at a single point in time while yield refers to the amount of water that can be reliably delivered from a project and is less than yield.

New targets should be developed that relate to yield because yield allows for better analysis of how a project can meet water demands. DWR is on the verge of releasing

an updated Bulletin 118, their periodic assessment of groundwater conditions throughout California. The groundwater storage targets should reflect the latest thinking as expressed in Bulletin 118. Direct funding for groundwater storage does not appear to be available within the next few years. Targets should reflect both the uncertainty of funding and a more long-term view of existing and potential project performance. Some Stakeholders have expressed concern that publicly-funded groundwater programs have not done enough to demonstrate their public benefits - such as improved stream flows. Revised targets should include a subcategory of expected public benefits

Staff at DWR are currently evaluating the groundwater storage targets in light of the issues listed above. They expect to have an initial draft of revised groundwater storage targets by May 2004.

Conveyance

The Conveyance Program will improve water supply reliability by improving certainty and increasing the capacity of Delta export pumping and by improving the flow conditions in and through the Delta to optimize water supply and fisheries benefits. Conveyance projects include the South Delta Improvements Project, Delta Cross Channel re-operation, Veale/Byron Tract Drainage Reduction, CVP/SWP Intertie, North Delta Flood Control and Ecosystem Restoration Protection Improvements, and other projects.

Like Surface Storage, Conveyance has two tiers of targets: 1) planning milestones; and 2) expected costs and benefits. The planning milestones are currently being updated – particularly those associated the South Delta Improvements Project because of its accelerated nature. A new Conveyance schedule which reflects current project status and expected funding will be completed by July 2004.

The expected costs and benefits of the South Delta Improvements Project will be available with the release of the pending Draft EIS/EIR in late fall 2004 or early spring 2005. This package of analyses will include exchange of conveyance and storage capacity with CVP, local dredging, local diversion improvements, plans for permanent operable barriers on Old River, and increasing SWP pumping to 8,500 cfs. The expected benefits and costs of North Delta Flood Control and Ecosystem Restoration Improvements will be defined by fall 2004 with the planned release of the Public Draft EIR/EIS and completion of ongoing scientific studies.

Water Use Efficiency

The Water Use Efficiency program (WUE) provides financial and technical support to enable local entities to conserve water in the urban and agricultural sectors and to recycle wastewater. These activities have the potential to increase useable water supplies, increase in-stream flows, and improve water quality.

The ROD called for completion of the WUE Year-4 Comprehensive Analysis, a technical study which will credibly estimate past and expected future performance

(costs and benefits) of water conservation and recycling activities in California. This analysis will provide estimates of how much water can be conserved and recycled by 2007 and by 2030 under about six different funding scenarios. After this study is released in May 2004, the WUE Subcommittee (to the BDPAC) will work with Authority and Implementing Agency staff to recommend that an appropriate level of conservation and recycling be reflected in revised targets.

The ROD contained estimates of potential water conservation in acre-feet. However, these estimates were not presented as program targets. As such, past WUE targets have focused on how many grant dollars have been awarded. The revised targets are expected to include volumetric (e.g. acre-feet of water conserved) as well as monetary components. Additionally, the revised targets will be divided among agricultural and urban conservation and recycling. Those breakdowns, where possible will be further divided into contributions toward water supply (so-called “real water conservation”), in-stream flows, and water quality.

Environmental Water Account

The Environmental Water Account (EWA) supports the Program’s water supply reliability goals by replacing water supplies that would otherwise have been lost through regulatory actions and by improving Delta operations and flows to maximize fish survival.

The schedule for the planning milestones is being revised given the latest funding and progress information and is expected to be complete by February 2004.

The program continues to closely coordinate with the South Delta Improvements Project (see Conveyance, above) and as such the development of revised costs and benefits are linked to the implementation of that program. The program will further define expected benefits and costs through ongoing studies and modeling (including Operations Criteria and Plan) by mid-2004.

ECOSYSTEM QUALITY

The Ecosystem Restoration Program (ERP) is designed to (1) maintain, improve, and increase aquatic and terrestrial habitats and improve ecological functions in the San Francisco Bay and Sacramento-San Joaquin Delta (Bay-Delta) to support sustainable populations of diverse and valuable plant and animal species; (2) achieve recovery of at-risk species dependent on the Delta and Suisun Bay; and (3) support the recovery of at-risk species in San Francisco Bay and in the watershed above the estuary. The ERP is essential to sustaining environmental regulatory compliance across all CALFED Program elements.

The ROD incorporated 119 milestones contained in the endangered species programmatic biological opinions and Natural Community Conservation Plan. The milestones, developed primarily from the more than 300 targets and 600 programmatic actions in the ERP Plan and Water Quality Program Plan, were those ERP actions the fish and wildlife agencies expected would be implemented during Stage 1 to achieve CALFED's conservation goals.

The ERP has both a long and short-term approach to reviewing and revising targets. The long-term approach is part of the ERP's regional planning effort, such as the Delta Regional Ecosystem Restoration Implementation Plan (DRERIP). Work on DRERIP includes convening panels of experts to help examine the ERP's actions, targets, and milestones for the Delta; this process includes review by the ERP Science Board and ERP implementing agencies. The regional planning processes will be the primary forums for revising ERP targets.

The short-term approach is part of the implementing agencies' assessment of progress toward achieving milestones and the efficacy of the Environmental Water Account (EWA) for the reinitiation of consultation for the CALFED Program Program. The ERP implementing agencies and Authority staffs, as well as the ERP's Science Board, are working to define the process for assessing progress toward milestones. While the results of the milestones assessment are not yet available, information from the assessment process likely will help in setting priorities for proposal solicitations in 2004 and subsequent years. The milestones assessment is expected to be completed by late spring 2004.

WATER QUALITY

The Drinking Water Quality Program (DWQP) seeks to improve water quality and ultimately reduce risk to human health from water-borne contaminants. This is accomplished through source control (both point source and non-point source protection) and water treatment technologies.

Although the Drinking Water Quality Program has awarded a small number of grants (28 grants totaling $34 million), the program is still in development. There is an additional $31.5 million in the current round of grant funding with the SWRCB. In 2002 , the Drinking Water Subcommittee developed an approach to providing an Equivalent Level of Public Health Protection (ELPH). Authority staff expanded on this framework in 2003 by initiating work on a Drinking Water Quality Strategic Plan. The plan is currently being developed by a workgroup consisting of agencies and stakeholders with DWQP support. The Strategic Plan is expected to contain a review of ROD targets and may contain revised draft targets. That report is due in draft by June 2004

LEVEE SYSTEM INTEGRITY

The Levee System Integrity Program preserves the many and unique resources of statewide significance in the Sacramento San Joaquin Delta by providing financial assistance to local agencies to maintain and improve delta levees. Since the ROD, $69.8 million in State funding has been invested in levee maintenance, repair, and improvement along with required habitat enhancements.

In response to State and local budget limitations the Program has recently re-evaluated the objectives approach for achieving Base Level Protection (BLP) of levees. As stated in the ROD, a set number of miles of BLP was to be achieved in Stage 1. Instead of attempting to improve those miles to the PL84-99 Standard, the Program provides funding to significantly reduce risk of levee failure in the Delta. Staff are working with local agencies to achieve this objective by preserving those improvements already achieved and incrementally increase levee system integrity Delta-wide.

WATERSHEDS

The ROD listed a very limited set of targets for the Watershed Program. These targets included funding levels for Stage 1, and the development of more specific performance measures to help gauge the accomplishments of the program. In turn, Authority and implementing agency staff worked with the stakeholder community to develop a specific set of “Initial Program Priorities” that have guided the conduct of 3

grant cycles and other actions carried out by the watershed program. The watershed program agreed to pursue these initial priorities for the first three years of program implementation.

The watershed program has established a process and time table to evaluate what has been done to address these initial priorities, and the performance of program actions in meeting objectives related to these priority activities. The outcome of this process will be a refined or modified set of program priorities and a specific set of performance targets to gauge our progress in addressing these priorities.

The initial analysis of data is being done by Authority staff and the Interagency Watershed Advisory Team (IWAT). Initial data analysis is scheduled for completion in early March 2004. Evaluation of data and formulating an initial proposal for new priorities, actions, and performance targets will be made by IWAT in April. Consideration of the proposal by the stakeholder community, other programs and agencies and subsequent refinement of the proposal will occur on a schedule such that a new set of priorities, program actions, and performance milestones will be included in the next multi-year program plan.

SCIENCE

The Bay-Delta Science Program has established the development of quantified performance measures as one of their priority issue areas. Their work in this area crosses all other program elements as they work with staff to develop methods to measure and quantify progress toward achieving their given element objectives.

Credible performance measures can be invaluable in developing new element targets. For example, the Water Use Efficiency Program element's quantifiable objectives act as a cornerstone in developing new targets. In this regard, the Science Program is integrally involved in reviewing and revising all program targets.

During 2003, the Science Program, under the guidance of the Independent Science Board developed a set of priority actions which provided targets for Science Program implementation. These priorities are:

- Water operations and biology
- Performance Assessment
- Cross-program interactions in the Delta and at the systemwide scale

Because these priorities were recently established though an open and technically credible process and because they are just beginning to be implemented, the Science Program does not intend to review/revise their target for the next two to four years.