

MEMORANDUM

June 6, 2000

TO: CALFED Policy Group
FROM: ERP Focus Group
RE: ERP Implementation and Priority Setting

Summary and Policy Context

A key policy consideration associated with implementation of the CALFED Ecosystem Restoration Program (ERP) involves addressing the following question:

How should decisions be made to set priorities, select Stage I actions, evaluate results and refine the longer-term implementation strategy?

How priorities are established and projects are selected is a critical and fundamental issue affecting the potential success of the CALFED Program. These decisions will determine what projects and actions are funded, where restoration actions are implemented, and how actions are staged over time. How these decisions are made (both in the short-term and over the life of the program), will strongly influence understanding of, and support for, the ERP and the CALFED program as a whole.

It is the consensus opinion of the ERP Focus Groupⁱ that a well defined process for determining short and long-term priorities should be established, and that ecosystem restoration priorities should be guided by a clear set of policy principles (see recommended Guiding Principles in Attachment C). The ERP Focus Group also concurs that the establishment of ecosystem restoration priorities should be done in a coordinated and integrated fashion with other CALFED programs and CALFED-related programs, in accordance with a single blueprintⁱⁱ for ecosystem restoration grounded in adaptive management.

The Ecosystem Restoration Program Plan (ERPP) identifies over 600 programmatic actions to be implemented throughout the Bay-Delta Systemⁱⁱⁱ over the 30-year implementation period of the CALFED Program. The ERP Strategic Plan describes a conceptual framework and process for refining, evaluating, prioritizing, implementing, monitoring, and revising these ERP actions. This memorandum provides additional information and recommendations developed by the ERP Focus Group regarding refinements to the long-term priority setting and selection process described in the ERP Strategic Plan.

ERP Focus Group

1 Implementation and Priority Setting

Recommendations

The ERP Focus Group recommends that CALFED:

1. Adopt a set of clear policy principles for guiding the prioritization and funding of CALFED ecosystem restoration actions. Six Guiding Principles are proposed, as described in Attachment C.
2. Establish a clearly defined process for determining ecosystem restoration priorities and selecting projects, which is scientifically based and informed by independent scientific advice and review. A five-step process is proposed that works through three distinct levels of planning and decision making: (1) programmatic; (2) regional, or Ecological Management Zone Plans plans; and (3) site specific projects (see description below and Attachment D).
3. Coordinate and integrate with other CALFED programs and CALFED-related programs when developing ERP priorities; in accordance with a single blueprint for ecosystem restoration, and in conjunction with the CALFED Science Program.
4. Adopt refined implementability criteria (see Attachment E) and apply at both the regional planning stage and the site-specific project selection stage. Balance these criteria with consideration of the ecological benefits and information value of a given proposal. Give more weight to ecological benefit and information value considerations at the regional planning level.

Discussion

In the near-term, the issue of prioritizing ERP actions and selecting/funding projects involves decisions based on existing information and knowledge using existing institutional arrangements. Over the long-term, as implementation proceeds, the issue expands to include a process for evaluating results from early actions to inform decisions on subsequent ERP actions and continually adjust and refine the ERP program in accordance with an adaptive management approach. The long-term perspective may also involve different institutional arrangements for decision making.

To assist in addressing the question of how to set ecosystem restoration priorities and select specific ERP actions, the ERP Focus Group has developed materials regarding: (1) guiding principles; (2) a suggested process for setting priorities and selecting projects; and (3) refined implementability criteria (including where and how these criteria should be applied relative to other considerations). These material are described briefly below, including how they are specifically intended to aid the priority setting and project selection process. More detailed information regarding these items is provided in Attachments C, D, and E.

Guiding Principles

The ERP Focus Group agreed that implementation of the ERP over a thirty -year period needed to be based on a set of broad principles that would form the foundation for all priority-setting and funding allocation decisions. These guiding principles would establish the fundamental ground rules for ongoing and future priority setting and funding decisions related to ERP implementation. The Focus Group therefore developed a set of broad principles that:

- Propose a process for developing near- and long-term ERP actions;
- Define the role of science-based adaptive management; and
- Establish the parameters for determining the balance of funding priorities and allocation.

Attachment C describes proposed guiding principles and how they would be used in combination with project selection criteria to determine priorities. These guiding principles would apply in moving from programmatic actions to regional implementation plans (or Ecological Management Zone Plans), as well as in moving from regional implementation plans to project-specific actions (as described below).

Proposed Priority Setting and Project Selection Process

A five-step implementation process is suggested that involves priority setting and project selection at three distinct levels of planning and decision making: (1) programmatic actions; (2) regional, or Ecological Management Zone Plans; and (3) site specific projects . This suggested five-step process is depicted graphically in Attachment D as an example of how it would be applied for the Lower San Joaquin River and South Delta Region. Step 1 in the process involves the compilation and consideration of existing information and policy direction at a programmatic level to guide development of regional implementation plans that would establish restoration priorities for each Ecological Zone. Step 1 also involves primary data collection and evaluations to support the prioritization process, including ongoing reconnaissance level analyses and tributary assessments. Step 1 is reflected in the ERPP, ERP Strategic Plan, and other CALFED Program documents. Steps 2 and 3 in the process involves the actual development of regional implementation plans and clear restoration priorities on a regional, or Ecological Zone, basis. This includes appropriate levels of CEQA and NEPA compliance in developing and adopting the regional implementation plans.

Development of regional implementation plans would also involve coordination and integration with other CALFED programs and CALFED-related programs. Steps 4 and 5 involve project-specific selection and execution (including monitoring), based on the priorities established in the regional implementation plans. These steps will be implemented through the development of annual implementation plans that establish annual priorities, and a combination of proposal solicitations and directed actions. The Annual Plan will identify what should be funded from year to year, while the solicitations and directed actions will determine how each proposed action will be accomplished. Agency and

stakeholder involvement is incorporated at each step in the proposed process, from input on the programmatic documents (Step 1) to development of regional implementation plans (Steps 2 and 3), and development of annual implementation plans and project-specific selection (Steps 4 and 5).

Proposed Implementability Criteria

The ERPP identifies over 600 programmatic actions to be implemented throughout the Bay-Delta ecosystem over the 30-year implementation period of the CALFED Program. The ERP Strategic Plan describes a conceptual framework and process for refining, evaluating, prioritizing, implementing, monitoring, and revising these ERP actions. This conceptual framework includes the identification and application of selection criteria for screening, refining, and prioritizing ERP actions for implementation. The ERP Strategic Plan identifies three primary categories of selection criteria for refining and prioritizing ERP actions: (1) Ecological Benefit; (2) Information Value; and (3) Implementability/Public Support.

Using this conceptual framework and selection criteria as a starting point, the ERP Focus Group has examined the concept of implementability criteria in more detail, including how these criteria should be defined and when and how they should be applied within the overall priority setting process described above. These implementability criteria are intended to ensure that issues related to the overall implementability of a proposed action are considered and evaluated in the prioritization and project selection process.

Attachment E contains a list of the ERP Focus Group's proposed implementability criteria for use in setting priorities and selecting projects for ERP implementation. These criteria were developed and refined based on an initial inventory of potential criteria derived from previous ERP Proposal Solicitation Packages (PSPs), the ERP Strategic Plan, previous suggestions by stakeholders, and materials developed by the ERP Strategic Plan Core Team. Attachment E also address how and when these criteria should be applied relative to other considerations, such as ecological benefit and information value. Two sets of implementability criteria are suggested, one to be applied at the regional implementation planning stage, and one to be applied at the project-specific stage. These two separate sets of implementability criteria are designed to reflect the differing levels of detail and information that will exist at each of these two stages.

Issues Related to Adaptive Management

The Focus Group agrees that priority setting for ERP actions must be embedded in an adaptive management science-based process. The accompanying memo on Establishing a Single Blueprint and the attached Guiding Principles represent an initial effort to embed adaptive management concepts into the ERP project selection process.

ⁱ The ERP Focus Group is a joint agency/stakeholder policy forum involving the following individuals and organizations: Margit Aramburu, Delta Protection Commission; Gary Bobker, The Bay Institute; Mike Bonner, U.S. Army corps of Engineers; Byron M. Buck, California Urban Water Agencies; Steve Johnson, The Nature Conservancy; Dan Keppen, Northern California Water Association; Laura King, San Luis Delta Mendota Water Authority; Patrick Leonard, U.S. Fish and Wildlife Service; Dave Nesmith, Save the Bay; Tim Ramirez, Resources Agency; Pete Rhoads, Metropolitan Water District of Southern California; Steve Shaffer, CA Department of Food and Agriculture; Lawrence Smith, U.S. Geological Survey; Gary Stern, National Marine Fisheries Service; Frank Wernette, CA Department of Fish and Game; Leo Winternitz, CA Department of Water Resources; Steve Yaeger, U.S. Army Corps of Engineers; Carolyn Yale, U.S. Environmental Protection Agency.

ⁱⁱ A single blueprint is a unified and cooperative approach which is defined by three primary elements: (1) integrated, shared science and a set of transparent ecological conceptual models that provide a common basis of understanding about how the ecosystem works; (2) a shared vision for a restored ecosystem; and (3) a management framework, including binding agreements which define how parties with management and regulatory authorities affecting the Delta will interact and how management and regulatory decisions (including planning, prioritization, and implementation) will be coordinated and integrated over time. See companion memorandum on Establishing a single Blueprint for Ecosystem Restoration and Conservation.

ⁱⁱⁱ The term Bay-Delta System as used herein refers broadly to the estuary, its watershed, and factors within the defined geographic scope that influence the health of this ecosystem.

ATTACHMENT C

Guiding Principles for Priority Setting

One of the key issues/concerns identified by stakeholders and agencies regarding CALFED Program implementation involves the question of how to set ecosystem restoration priorities and select specific ERP actions, both in the near-term (Restoration coordination Program actions and Stage 1 and 1a actions) and over the long-term.

The Ecosystem Restoration Program Plan (ERPP) and the Multi-Species Conservation Strategy (MSCS) identify hundreds of programmatic actions to be implemented throughout the Bay-Delta System¹ over the 30-year implementation period of the CALFED Program. In addition, there are numerous other programs and regulatory actions that overlap with the CALFED Program that offer opportunities for synergies.

In evaluating the issue of priority setting, the ERP Focus Group concurred that priority setting and funding decisions regarding ERP implementation could be aided by establishment of a clear set of consensus based policy principles. The following is a list of five consensus principles developed by the ERP Focus Group to guide prioritization of ecosystem restoration activities. These guiding principles are intended to establish fundamental ground rules for ongoing and future priority setting and funding decisions related to ERP implementation. The principles specifically address the following:

- The process for developing near- and long-term ERP actions;
- The role of science-based adaptive management; and
- Parameters for determining the balance of funding priorities and allocation.

These guiding principles would be used in combination with project selection criteria (as described in the ERP Strategic Plan and in Attachment E) to determine priorities. The principles would apply in moving from programmatic actions to regional implementation plans (or Ecological Management Zone Plans), as well as in moving from regional implementation plans to project-specific actions. The principles, in and of themselves, do not establish implementation strategies or priorities, but rather, as noted above, are intended to be used in concert with more detailed selection criteria and statutory responsibilities to facilitate an integrated and transparent decision making process for program implementation.

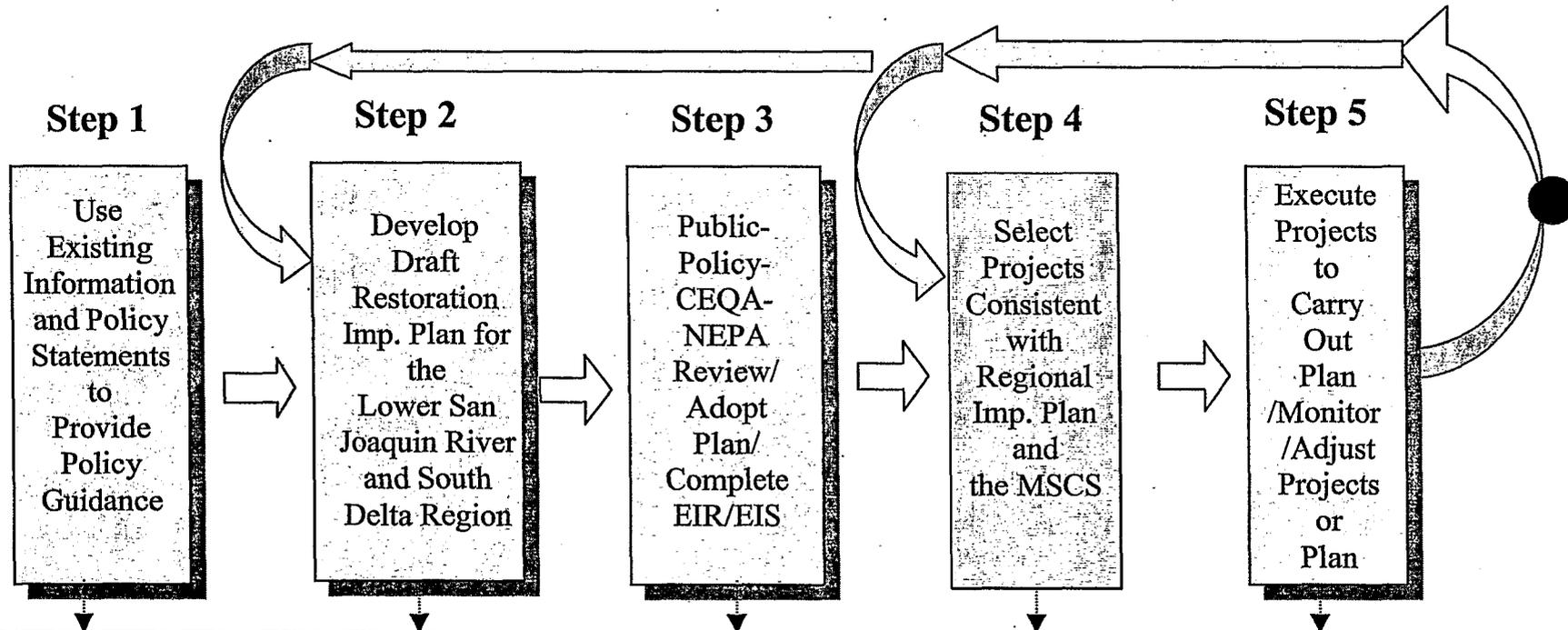
Decisions related to selecting/prioritizing ERP actions and ensuring compliance with state and federal endangered species laws will be integrated to the maximum extent possible to promote one consistent and efficient approach to ecosystem restoration, in accordance with a single blueprint.

¹ The term Bay-Delta System as used herein refers broadly to the estuary, its watershed, and factors within the defined geographic scope that influence the health of this ecosystem.

Consensus Principles

1. **Basis for ERP Implementation Priorities:** The development of annual, near-term and long-term ERP implementation priorities and strategies will be based on the goals and objectives of the ERP Strategic Plan, MSCS, ESA recovery plans, and implementation plans developed for specific ecological management zones, and informed by a science based adaptive management process.
2. **Role of Science:** A science based adaptive management process will be used to review and advise on ERP strategies and priorities. This process will include adequate monitoring, research, and performance assessment activities, and an independent Ecosystem Science Board. CALFED is committed to using the best available science for ERP implementation in accordance with a single blueprint.
3. **Setting Priorities:** Final decisions regarding ERP implementation strategies, priorities, and funding allocations will be made by the CALFED Policy Group or its successor entity, based on recommendations developed through a collaborative effort involving the CALFED Science Program (including an Ecosystem Science Board), CALFED agencies, stakeholders, and the public.
4. **Funding Priorities:** ERP implementation will include strategies to address the immediate needs of species and other ecosystem components at highest risk; and comprehensive measures to protect and restore habitats, rehabilitate ecological processes, and reduce stressor impacts. The initial funding allocation between these strategies is intended by CALFED to be balanced so that the total allocation provides for a comprehensive restoration approach. Adequate funding will be provided to fully support the science-based adaptive management process and the administration and management of the ERP.
5. **Use of ERP Funds:** ERP funds will be used to implement management measures identified in the ERPP, non-mitigation measures identified in the MSCS, and/or measures developed under the ERP adaptive management process.

Example Regional Implementation Plan Development and Project Selection Process for the Ecosystem and Floodplain Restoration Program for the Lower San Joaquin River and South Delta Region



<ul style="list-style-type: none"> • ERP goals and objectives • MSCS • Other CALFED Bay-Delta Program goals • ERPP Stage 1 actions • White Papers • Science Board • Previous projects • CALFED Solution Principles • Other policy statements 	<ul style="list-style-type: none"> • Develop implementation plan from Delta-wide perspective • Fish and wildlife agencies • Landowners • Delta Protection Comm • Food and Agriculture • Comprehensive Study • Reclamation Board • Reclamation Districts • Stakeholders • Science Board • Regulatory requirements • ERPP Targets 	<ul style="list-style-type: none"> • Tier from PEIS/EIR • Public Scoping • Workshops • Policy Group • Delta Protection Comm. • SDWA / CDWA • Ecosystem Roundtable • BDAC • Reclamation Board • CALFED agencies • Science Board. 	<ul style="list-style-type: none"> • PSP • RFPs and RFQs • Directed Actions • Review Steps <ul style="list-style-type: none"> - Threshold review - Scientific review - Technical review - Science Board review - Regulatory agency review • Roundtable/BDAC • CALFED Selection 	<ul style="list-style-type: none"> • Project Specific CEQA Documentation • ESA Compliance/ASIPs • Permit Coordination • Obtain Permits • Compliance Monitoring. • Effectiveness Monitoring • Feedback • Adaptive Management <ul style="list-style-type: none"> - Refine Projects in short term - Refine regional implementation plan in long term
---	---	--	--	--

ATTACHMENT E

Proposed ERP Implementability Criteria

The ERP Strategic Plan describes a conceptual framework and process for refining, evaluating, prioritizing, implementing, monitoring, and revising ERP actions. This conceptual framework includes the identification and application of selection criteria for screening, refining, and prioritizing ERP actions for implementation. The ERP Strategic Plan identifies three primary categories of selection criteria for refining and prioritizing ERP actions:

1. Ecological Benefit;
2. Information Value; and
3. Implementability/Public Support.

Using this conceptual framework and selection criteria as a starting point, the ERP Focus Group has examined the concept of the third suggested criteria (implementability/public support) in more detail, including how such criteria should be defined and when and how they should be applied within an overall priority setting process, including how they should be balanced with other important considerations/criteria (such as ecological benefit and information value criteria). With regard to specific criterion, the ERP Focus Group focused only on implementability criteria. The group did not review or discuss specific ecological benefit or information value criteria. A list of proposed implementability criteria developed by the ERP Focus Group for use in setting priorities and selecting projects for ERP implementation is presented below.

The purpose of these implementability criteria is to ensure that issues related to the overall implementability of a proposed action are considered and evaluated in the prioritization and project selection process. The criteria themselves are meant to be screens; they are not intended to function as "on-off" switches. Rather these criteria are intended to represent important factors for evaluating the relative merits of various options. For example, one suggested implementability criterion at the project selection level is "ease of implementation." It is applied not to eliminate projects that are more challenging to undertake, but rather to rank one project characteristic against numerous other criteria that assess implementability. Furthermore, "ease of implementation" in and of itself is not necessarily an overall preferred criterion, given the adaptive management approach embedded in the ERP.

The ERP Focus Group has recommended that implementability criteria for selection of ERP actions be applied both at a regional level, where a number of activities must be planned and coordinated, and at the local, project-specific level with outreach and involvement of local officials in affected areas including, but not limited to, watershed groups, local conservancies, local planning groups, property owners, and native American tribes. At the regional level of planning in particular, multiple opportunities exist for achieving multiple CALFED objectives and minimizing conflicts across Program actions, one of the key factors identified in the ERP Strategic Plan. The

criteria listed below were developed and refined based on an initial inventory of potential criteria derived from previous ERP Proposal Solicitation Packages (PSPs), the ERP Strategic Plan, previous suggestions by stakeholders, and materials developed by the ERP Strategic Plan Core Team.

Regional Implementability Criteria

At the regional level, implementability criteria should be used as screens that on a broad-brush scale can help determine whether or not a project or action is implementable. These criteria should be applied early in the regional planning process in order to ensure that projects and actions are physically implementable and that coordination to enhance achievement of overall CALFED Program objectives is considered. Local interests including, but not limited to, watershed groups, local conservancies, environmental justice groups, local planning groups, property owners, and Native American tribes are to be involved in application of these criteria, to ensure that decisions are fully informed by local consideration prior to decision-making.

The ERP Focus Group recommends the following broad regional implementability criteria:

1. Infrastructure Criteria

Areas proposed for restoration should be assessed for presence of heavy development or significant existing infrastructure, e.g. large subdivisions, industrial complexes, major interstate and state highways. Areas proposed for restoration should be investigated to determine the potential for imminent or likely land use conflicts.

2. Landscape Resistance Criteria

Projects and actions should be investigated to determine, from an ecosystem restoration perspective, their relative feasibility based on key landscape conditions such as elevation or topography.

3. Sustainability Criteria

Proposed actions or projects should be screened for their sustainability given existing ecological processes such as floods, tides, sea level rise, wind or wave erosion, etc.

4. MSCS Consistency Criteria

Actions or projects should be screened for their consistency with the MSCS.

5. Program Integration/Multiple Program Objectives

These criteria assess the extent to which proposed actions foster the CALFED Program as a whole and are well integrated with other program elements, both within CALFED and with other related programs.

6. Public Outreach and Local Involvement

This criterion ensures public outreach and opportunities for local involvement, input, and advice at the regional planning level has occurred.

Potential Conflicts at the Regional Level

In the process of setting ERP priorities at the regional level, one or more CALFED agencies, or local stakeholders, may disagree regarding the advisability of proceeding on a certain type of project proposed in a regional plan. In its proposed single blueprint for ERP implementation, the ERP Focus Group recommends a conflict resolution process to resolve differences of scientific opinion regarding ERP priorities or the implementability of a particular project or type of projects. In the event that conflict resolution efforts are unsuccessful at resolving the disagreement at the regional level, the conflict may be elevated to the CALFED Policy Group, or the proposed ERP governing entity, for resolution.

Project Level Implementability

At the project selection level, implementability criteria are applied to help reviewers select among competing proposals or among alternatives in the same proposal category. The Focus Group endorses the implementability criteria that have been developed for the current Proposal Selection Process, but encourages the Restoration Program to adopt the two additional implementability criteria, as follows:

1. Contribution to Multiple Objectives

These criteria should be applied at both the regional and the action-specific level. ERP actions should, when possible, interact with other CALFED actions and other related program actions to maximize achievement of synergistic benefits. Examples include ERP actions that benefit Levee Program objectives, or are consistent with the objectives of the AFRP or the Comprehensive Flood Management Study.

2. Consistency with Regional Implementation Plans

A proposed ERP project should be consistent with the appropriate ERP regional plans, with regard to habitat types and quantities proposed for restoration. They should also be consistent with the proposed geographic area in the regional plan.