

DRAFT

Developing a Preferred Alternative

(Staged Implementation and Conditional Decisions)

CALFED is exploring three basic alternatives (approaches) to solving the problems in the Bay-Delta system. Considering the complexity and large number of items to be completed for each alternative, implementation will be conducted in several stages over 30 or more years. The first stage (approximately 7 years) will consist of actions which can begin to make progress towards meeting CALFED goals. The actions included in subsequent stages will depend on additional scientific information and evidence of need collected during this first stage of implementation.

The following sections outline a concept of how staged implementation and future decisions can be guided by a carefully crafted set of conditions. These can form the basis of a preferred program alternative.

Staged Implementation

The complexity of the CALFED alternatives contributes to the need for staged implementation. Each alternative is composed of hundreds of individual actions, and will require decades to fully implement. The challenge in implementing the Program in stages is to allow actions that are ready to be taken immediately to go forward, while assuring that each interest group has a stake in the successful completion of each stage.

One concept for defining the CALFED preferred program alternative is to define certain actions for implementation and also develop conditions for progressing beyond Stage 1. This can be begun by defining Stage 1 in as much detail as possible and determining a set of conditions which would be used to guide decisions on subsequent stages. For example, certain predefined conditions would need to be met before major facilities could be built.

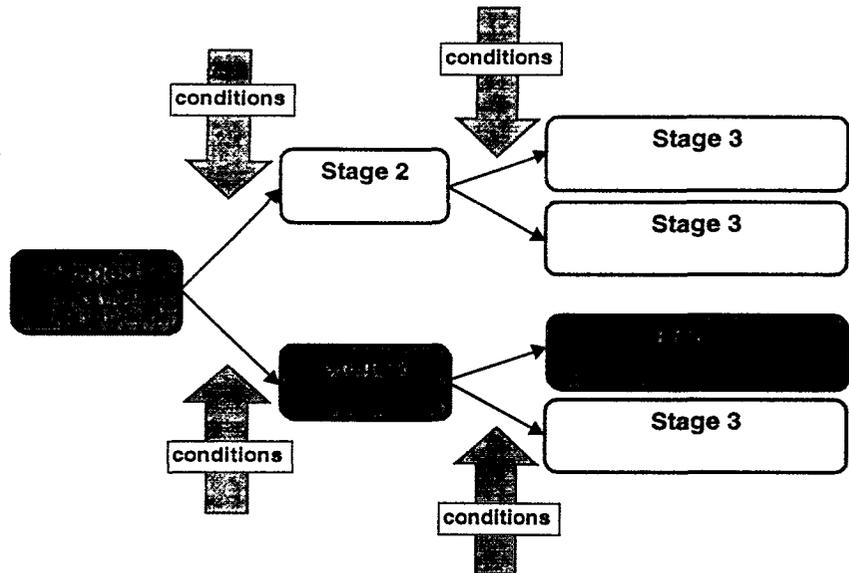
Conditional decisions on several Program elements may be required at each stage of implementation.

Staged Implementation

- Determine some actions at the outset (for all stages).
- Allow some decisions on other actions to be made later when more scientific information will be available and the effects of previous actions will be better known (guided by predefined decision criteria).

The adjacent diagram is a simplified schematic showing how implementation could progress from one stage to the next with conditional decisions at each stage. Implementation would begin with Stage 1 including a set of actions that provide benefit towards CALFED goals. Stage 1 would also include a set of conditions to guide how the Program would move into subsequent stages. For example, if new bromide studies determine the isolated facility is not needed for drinking water quality, Stage 2 would take a different path. Likewise, conditional decisions entering Stage 3 would determine that implementation.

Conditional Decisions



The decisions at each stage could be structured two different ways. Currently there is uncertainty on the need for major facilities (isolated facility and surface storage). The most controversial example involves the possible construction of an isolated facility as part of a dual conveyance system. Because of significant uncertainties about (1) the performance of the alternatives and (2) future drinking water standards and diversion effects on fisheries, CALFED may not be able to rule out the need for a dual conveyance facility to achieve its mission. But neither can it conclude, based upon current information, that the facility is absolutely necessary for fulfilling that mission. Therefore, to address these uncertainties, the decision (action and conditions) can be structured in two basic ways:

- Presume action does not proceed unless certain conditions occur.
- Presume action proceeds if certain conditions occur.

In addition, because of the uncertainty, for CEQA and NEPA purposes the major facilities (isolated facility and surface storage) would be included in the preferred program alternative if there is any conditional possibility of implementing them to achieve Program benefits. However, this is not a commitment to build these facilities. Strict conditions, including site specific environmental documentation and permitting, would need to be satisfied prior to any construction.

Types of Issues Requiring Further Development

For CALFED to succeed, it must develop a program which both fulfills its mission and has broad support from government agencies and stakeholders. It is likely that stakeholder support will be contingent upon resolving a number of issues prior to finalizing the actions for Stage 1 implementation. The types of actions include:

- Definition of Stage 1 Detail (see attached example Stage 1 implementation)
- Governance
- Operational Rules
- Assurances
- Staged Decision Making (based on predefined conditions)
- Cost Allocation

Stage 1 Implementation

Stage 1 is defined as the period extending from certification of the programmatic EIS/EIR to just prior to making a decision whether or not to issue permits for the major storage and conveyance facilities.

This first stage begins a series of actions that will ultimately form the CALFED solution. The first stage does not set a direct path to any specific predefined solution but begins a process where the solution can change depending on the outcome on predefined conditions. The first stage can lead to an Alternative 1, 2, or 3 depending on how the predefined conditions are met.

In order to succeed:

- Stage 1 must provide water resources stability until actions in subsequent stages substantively reduce conflicts in the system. This can initially be achieved by an extension and/or expansion of conditions in the 1994 Bay-Delta Accord.
- Stage 1 must begin the commitment for improvement in all resource areas for the Bay-Delta system.

The attached *DRAFT Example Stage 1 Implementation (Approximately First 7 Years of Implementation)* provides potential actions for each CALFED Program element. It includes studies, site specific environmental documentation, and permitting work for conveyance and storage facilities but does not include commitments to build them.

Conditional Decisions

There are many potential linkages between the various actions in the common program elements, storage, and conveyance. These linkages could be used to fashion conditions to include with other assurances for stages of Program implementation. Following Stage 1, certain aspects of the CALFED solution will depend on how predefined conditions are met. Defining the conditions will require considerable effort from government agencies and stakeholders. Discussion is beginning on some potential conditions:

- **Presume an isolated facility will not be constructed unless there is:**
 - Regulatory mandate for reduced bromide levels that cannot be addressed more economically by water treatment, continued fishery decline tied to water export limits, and/or catastrophic failure of Delta levees
 - Capacity limit for the new facility
 - Limit on the amount of water that can be exported
 - Commitment (legislative or contractual) to use excavated material for levee and habitat improvements
 - Commitment (Delta standards or contractual) to preserve in-Delta water quality at existing levels (may require mitigation)
 - Commitment to address potential seepage and flooding issues
 - Long-term funding for Delta levees
 - Commitment (legislative) that construction of isolated facility cannot proceed ahead of construction of new regional surface storage
 - Site specific environmental documentation and permitting completed
 - Demonstrated willingness to finance by beneficiaries

- **If an isolated facility is determined not to be needed to aid fishery recovery** (entrainment found to be minor influence), then water export regulations should be revised

- **Presume surface storage is constructed if:**
 - Defined level of water use efficiency is achieved
 - Demonstrated need for surface storage with water transfer market and water use efficiency measures (constrained least cost economic evaluation) Users of new water supplies must meet specific, measurable efficiency criteria and demonstrate that water available through marketing is appropriately incorporated into the source mix prior receiving new water supplies.
 - Site specific environmental documentation and permitting completed
 - Demonstrated willingness to finance by beneficiaries

- **Presume north of Delta groundwater/conjunctive use programs are not implemented unless north of Delta surface storage is developed.** This condition would likely not apply to increased conjunctive use in the south Sacramento County area, as this would be a groundwater restoration project, with primarily local benefits.

- **Link ecosystem restoration spending or performance to facilities progress milestones:**
 - EIR/EIS certification
 - Land acquisition for facilities
 - Permittability