

**Proposed Principles and Framework for  
CALFED Long-Term Governance**

12/7/99

**Chapter 1 Purpose and Policy**

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- Principle 1:** *The CALFED Program should be jointly managed by the State and Federal governments through program implementation.*
- Principle 2:** *There should be a clear point of, and process for accountability of the Program to the Legislature, the Congress, stakeholders and the public.*
- Principle 3:** *The membership of the CALFED decision-making body should be made up of State, Federal, tribal and public members.*
- Principle 4:** *The institutional structure and authority of the governing entity should attract strong leadership to the position of executive director.*
- Principle 5:** *The Commissioners should serve as the decision-making body for the CALFED Bay-Delta Program and the Executive Director and Commission staff should manage the implementation of the Program. (See Principle 8 for ERP management)*
- Principle 6:** *The Commission should serve the function of program management of each of the CALFED Program Elements in order to reduce fragmentation of responsibility and accountability, maximize coordination and integration among the Program Elements, and to avoid conflicting mandates within existing agencies.*
- Principle 7:** *The Commission should delegate implementation, as appropriate, to existing agencies or new entities. Delegation will vary between program depending on the nature of the program and actions and the expertise of other agencies.*
- Principle 8:** *New funding for implementation of the CALFED Program actions should be appropriated directly to the Commission for those activities to be directly managed by the Commission. Funding for the CALFED Program actions*

*delegated to a State or Federal agency should be appropriated directly to that agency, with control language requiring Commission approval of program plans and priorities.*

**Principle 9:** *Due to the critical importance of reducing the conflict in the Delta between water management and ecological health, and the complexity and size of the ERP, there should be significant focus and accountability given to the management of the ERP.*

**Principle 10:** *The Commission's meetings should be open and public, and the Commission should seek ways to maximize public knowledge of, and involvement in, its work. The Commission should support involvement in the Program at a local level.*

## **Chapter 2 CALFED Bay-Delta Commission**

### **Section 1. CALFED Commission**

**Principle 1:** *The CALFED Program should be jointly managed by the State and Federal governments through program implementation.*

**Principle 2:** *There should be a clear point of, and process for accountability of the Program to the Legislature, the Congress, stakeholders and the public.*

1. A new CALFED Bay-Delta Commission (Commission) would be created to manage the implementation of the CALFED Bay-Delta Program as specified in the Final EIS/R and implementing documents. The Commission would be a joint State and Federal entity established by companion State and Federal legislation.
2. The Commission would provide program direction, assess program performance and direct the management of the CALFED Program Elements.
3. The CALFED Program Elements include:
  - Levee system integrity
  - Ecosystem Restoration
  - Watershed Management
  - Drinking water quality
  - Water Management  
(water use efficiency, water recycling, water transfers, storage , conveyance)

**Section 2.** Commission Membership.

**Principle 3:** *The membership of the CALFED decision-making body should be made up of State, Federal, tribal and public members.*

- A. The Commission would have 19 members-- six public members, a tribal representative, six members representing State agencies, and six members representing Federal agencies. The Secretary of the California Resources Agency and Secretary of the Federal Department of Interior designee would serve as co-chairs.
1. The six public members would serve staggered 4 year terms and each would represent a specific interest agricultural water users, urban water users, environmental concerns, the Delta, rural watersheds, and fishing.
  2. The tribal representative would be selected... (possibly by the Tribal Policy Group, on a rotating geographic basis.)
  3. State Agency members would include--Resources Agency, Department of Fish and Game, Department of Water Resources, State Water Resources Control Board, Department of Food and Agriculture, and Department of Finance.
  4. Federal Agency Members would include-- Fish and Wildlife Service, Bureau of Reclamation, National Marine Fisheries Service, Environmental Protection Agency, Army Corps of Engineers, and Natural Resources Conservation Service.

**Section 3** Commission Organization.

- a. The Commission would appoint an executive director to be responsible, under the Commission's direction, for managing the CALFED Bay-Delta Program.
- b. The executive director would be responsible for hiring and directing the Commission staff.

**Section 4** Commission Duties and Authorities.

**Principle 4:** *The institutional structure and authority of the governing entity should attract strong leadership to the position of executive director.*

**Principle 5:** *The Commissioners should serve as the decision-making body for the CALFED Bay-Delta Program and the Executive Director and Commission staff should manage the implementation of the Program.*

A. The Commission should be the primary agency responsible for achieving the CALFED Program objectives and targets identified in the CALFED Final EIS/R and implementing documents. The Commission's staff, under the director of the executive director, would be responsible for managing and coordinating the CALFED program elements. Program management responsibilities for each Program Element are described in Chapter 3. The Commission members should assume the following responsibilities and authorities to ensure program integration and balance:

1. Budget Approval. The Commission should review and approve the annual proposed budget of the programs/funding under Commission authority to ensure the proposed budget reflects the CALFED priorities and provides program balance and integration. The Commission should have approval authority over funding authorities listed in Chapter 3 and new sources of funding directed at CALFED implementation.
2. Approve the CALFED Long-Term Program Plan and Priorities. The Commission should adopt CALFED program priorities as part of a Long-Term Program Plan. The Commission should review the Long-Term Program Plan and priorities annually, and modify as needed. The CALFED priorities should guide the priorities for each Program Element in order to provide integration and balance of the CALFED Program.
3. Approve Annual Program Element Workplans. Review and approve the annual workplans for each Program Element (program elements listed in Section 1 of this Chapter). Annual work plans would be submitted to the Commission by the Executive Director at the beginning of the fiscal year (state or federal to be defined) for review and approval. The Commission should review the Annual Work plans to ensure:
  - Plans will provide a balanced and integrated program.
  - Program Element priorities are consistent with CALFED program priorities and consistent with Program Element objectives and priorities.
  - Independent scientific and technical review of the Annual Workplan has been conducted and submitted to the Commission.
  - Stakeholder and public input has been adequately considered in the development of the Annual Workplan.
4. Support Coordination of a CALFED Crosscut Budget. Funding authorities supporting the Annual work plans should be reviewed by the Commission as part of the Annual CALFED Crosscut Budget prepared by the Commission staff. The

Commission should provide recommendations on program modifications to increase coordination with related funding authorities.

5. Approve Performance Assessment. Review and approve an annual performance assessment reviewed by the Science Review Board which assesses how CALFED Program is achieving its objectives.
6. Conflict Resolution. Seek to resolve conflicts among agencies implementing the CALFED Program. Issues that could not be resolved by the agencies themselves, or by the CALFED Commission, would go to the Governor and Secretary of the Interior for decision.

B. The Commission would have authority to:

- Employ staff;
- Accept money, grants, goods, and services from governmental and private entities;
- Enter into contracts and agreements with, and make grants to, public and private entities;
- Buy, sell, lease, or otherwise own or transfer any interest in real property and water. (The Commission would rely primarily on governmental agencies and non-profit organizations to buy, sell, lease, or otherwise own or transfer interests in real property).

### **Chapter 3 Program Management and Coordination**

**Principle 6:** *The Commission should serve the function of program management of each of the CALFED Program Elements in order to reduce fragmentation of responsibility and accountability, maximize coordination and integration among the Program Elements, and to avoid conflicting mandates within existing agencies.*

**Principle 7:** *The Commission will delegate implementation, as appropriate, to existing agencies or new entities. Delegation will vary between program depending on the nature of the program and actions and the expertise of other agencies.*

**Principle 8:** *New funding for implementation of the CALFED Program actions should be appropriated directly to the Commission for those activities to be directly managed by the Commission. Funding for the CALFED Program actions delegated to a State or Federal agency should be appropriated directly to that agency, with control language requiring Commission approval of program plans and priorities.*

## **Section 1. Levee System Integrity**

### **A. Program Description.**

1. The Program adopts the existing levee protection programs but with greater and more reliable long-term long-term funding, higher standards, and greater integration with the other CALFED Programs.
2. The major elements of the Levee program are:
  - Subventions/Base Level Protections and Special Projects.
  - Subsidence Control Plan
  - Emergency Management and Response Plan
  - Delta Levee Risk Assessment

### **B. Program Management Proposal**

1. Commission responsibilities:
  - a. Prepare annual workplan and long-term plan for CALFED Levee Program.  
In coordination with the Commission, DWR will prepare the components of the annual workplan related to the Subventions and Special Projects Program and the Emergency Management Program.
  - b. Subvention and Special Projects Program
    - Oversee and review DWR's subvention and special projects program activities, monitoring, priorities, and budget to ensure ongoing program integration with other CALFED objectives.
    - Authority to review and make changes to the Subvention and Special Projects Programs with regard to program priorities and funding level to ensure integration with CALFED objectives. The Commission review and approval should occur prior to the review and approval by the Reclamation Board, as currently required under state law, for the Delta Subventions program, and by the California Water Commission (CWC) for the Special Projects Program. Final approval should remain with the Reclamation Board and CWC. The Reclamation Board and the CWC should be authorized to delegate final approval to the Commission.
  - c. State and Federal Agency Coordination
    - Coordinate the state and federal agencies involved in Delta Levee activities. The Commission should assume the Resources Agency under Section 12308 of the Water Code for certification of Delta levee and habitat requirements. This responsibility would be performed jointly with

- the Department of Fish and Game
- Coordinate funding between State and Federal governments.
- d. Stakeholder and Public Involvement.
  - Coordinate and facilitate stakeholder and public involvement in Delta levee priorities and program implementation.
- e. Assess program performance
  - Assess program performance in meeting CALFED levee program objectives
- f. Manage the Subsidence Control Plan. Prepare and implement a plan to reduce or eliminate the risk to levee integrity from subsidence.
- g. Risk Management Analysis
  - Conduct special studies and plans including Delta Levee Risk Assessment.
- h. EMRP.
  - Oversee the development and coordination of state and federal agencies participating in the Emergency Management and Response Plan (EMRP).

2. State and Federal Agency Authorities and Responsibilities.

- a. Department of Water Resources.
  - Subventions and Special Projects. DWR should continue to have primary authority and responsibility for managing the Delta levee subventions and the Special Projects Programs. DWR should coordinate with CALFED Commission to develop program plans and budgets to ensure program integration and consistency. DWR should submit an annual workplan to the Commission for approval.
  - Emergency Management and Response Plan (EMRP). DWR will serve as program manager responsible for implementing the EMRP in the Delta. Funding will be appropriated to DWR special emergency account. DWR should submit an annual workplan to the Commission for approval.
  - Participate with the CALFED Commission in Delta levee studies and programs including the emergency response plan, the subsidence plan, and levee risk assessment and strategy.

b. Corps of Engineers.

*NOTE: The role of the Corps of Engineers and federal government needs to be addressed as part of proposed legislation for CALFED governance. An open issue that needs to be resolved is how the costs of the program are distributed. Currently the program is funded primarily by state and local funds. If federal funding for the levee program increases, the decision-making process and governance structure should be evaluated and adjusted appropriately.*

c. Office of Emergency Services.

- OES is the coordinator for emergency response in California. No change in authority or responsibility is proposed.

3. Funding

*(Does not include potential shifts in existing funding responsibilities or new funding mechanisms such as user fees)*

- a. Funding allocated for the Delta Subventions and Special Projects Programs should be required to be consistent with the CALFED Levee Program. Delta levee funding that is included in the Proposed 2001 Water Bond (\$30 million, Article 3) should be required to be coordinated and consistent with CALFED objectives, and program plans and priorities approved by the Commission (or Policy Group ) prior to expenditure.
- b. Annual Budget Requests. Funds requested through the annual state budget cycle for the Delta Levee Subvention or Special Projects Program or other program actions within the scope of the CALFED Levee Program should be reviewed and coordinated by the Commission before inclusion in the Governor's Budget.
- c. Funding for the Subvention and Special Projects Program and other DWR responsibilities described above should be appropriated to the DWR with control language that requires Commission approval of the program priorities and program plan before expenditure.
- d. The Commission should receive funding for program oversight and coordination and for program management of the special plans and studies described above.

## Section 2 Ecosystem Restoration Program (ERP)

**Principle 9:** *Due to the critical importance of reducing the conflict in the Delta between water management and ecological health, and the complexity and size of the ERP, there should be significant focus and accountability given to the management of the ERP.*

### A. Program Description

1. The objective of the ERP is to restore and mimic ecological processes and to increase and improve aquatic and terrestrial habitats to support stable, self-sustaining populations of diverse and valuable species. The ERP is a complex and comprehensive program whose actions are interlinked with each other and with actions in the other CALFED Program Elements. Management of the ERP will be based on scientific and biological principles and processes, and follow an adaptive management approach.

### B. Program Management Proposal

1. ERP Conservancy within the Commission. An ERP Conservancy should be established within the Commission to serve as program manager for the ERP.
  - a. Membership. The Conservancy should have representatives from State and Federal Fish and Wildlife Agencies.
  - b. Executive Director. The Conservancy should appoint an executive director to be responsible for management of the ERP. The executive director would be responsible for hiring and directing staff.
  - c. Duties and Authorities. The Conservancy members should provide program guidance and have authority to approve program priorities, the annual and long-term plans, and approve individual projects and studies/research. The Conservancy staff should manage the program and submit plans and projects to the Conservancy for approval prior to submittal to the CALFED Commission for final approval.
    - Planning. Prepare a long-term plan and an annual workplan including program priorities. The CALFED Commission should have final approval over the long-term plan and annual workplan as described in Chapter 1.
    - Independent Scientific Review. Establish an independent Science Review Committee to aid in the development of program priorities, periodically review projects and other decisions to ensure quality control, and assess

progress in meeting program targets.

- Monitoring and assessment. As part of an adaptive management approach, manage the monitoring and assessment of the program actions in achieving ERP targets. Coordinate with the CALFED Comprehensive Monitoring and Assessment Program (CMARP).
- Project Selection and Management. Manage a grant and directed actions program to select high priority actions that will address ERP targets. Manage a research and pilot program, in coordination with CMARP, to address areas of scientific uncertainty. Actions proposed for funding shall receive final approval by the CALFED Commission.
- Environmental Water Account. Manage the Environmental Water Account.
- Multiple Species Conservation Strategy. Manage the MSCS.
- Public Involvement and Interagency Coordination. Convene and coordinate public and interagency involvement in the ERP. Coordinate funding and projects with related ecosystem restoration programs.

2. State and Federal Agency Responsibilities. The Conservancy should rely on existing State and Federal fish and wildlife agencies, and private nonprofit organizations to implement individual projects and research. Final ownership of land and water rights should be held primarily by existing State and Federal agencies in order to ensure long-term protection and management.

- CVPIA. The CVPIA address many of the same objectives as the ERP and therefore close coordination of the two programs is essential. Where the objectives of the two programs overlap, annual workplans, crosscut budgets, priorities, project selection and funding should be coordinated. The ERP and the related portions of the CVPIA should prepare a Joint Annual Workplan. The Joint Annual Workplan should be submitted to the Commission which should have authority to review and comment on the CVPIA components of the plan.

3. Funding.

*(Does not include potential shifts in existing funding responsibilities or new funding mechanisms such as user fees)*

- a. The ERP is expected to rely primarily on new funding sources to implement the program because in most cases the program is proposing

new initiatives on top of existing base programs which are critical to the ERP or are supporting other mandated activities.

b. Initial new funding. The Conservancy, under the authority of the CALFED Commission, should have authority over the following funding sources: (Note: If the Conservancy is not established as a joint State and Federal entity, then state and or federal funding can be appropriated to the Commission and passed onto the Conservancy)

- Federal Bay-Delta Enhancement and Water Security Act. If reauthorized, funding for ecosystem restoration should be appropriated to the Conservancy through the Department of Interior Budget Bill. (The Conservancy would need to be established as a federal entity to receive federal funding).
- California Proposition 204. Chapter 7, appropriates \$390 million to the Resources Agency "until the Legislature by statute authorizes another entity, recommended by CALFED, to carry out this chapter." The Conservancy should be the entity to receive and manage the funding.
- Proposed Water Bond. Chapter 9, Article 3, includes \$40 million for facilities to control low dissolved oxygen and other water quality problems in the lower San Joaquin River and South Delta. Improvements in low DO provide ecosystem benefits not drinking water benefits.

c. Existing funding. Funding for these programs should be required to be coordinated with the CALFED Commission prior to project selection and funding.

- CVPIA. Coordination should be required of the Federal funding administered by USBR and USFWS, and State cost share administered by the DFG and DWR.
- Other ecosystem programs and funding. Other funding sources such as Section 1135 of WRDA administered by the Corps of Engineers, 1996 Farm Bill programs administered by the NRCS, Delta Four Pumps Agreement administered by DWR and DFG, and Tracy Fish Agreement administered by USBR and DFG, are closely related to the objectives of the ERP. Additional programs may also need to be required to coordinate with the Commission.

## Section 3 Watershed Program

### A. Program Description

1. The Watershed Program is intended to aid all Program Elements in using a comprehensive, integrated, basin-wide approach to help achieve the mission of restoring ecosystem health and improving water management. The program is focused on supporting local community based efforts as a means for designing and implementing many aspects of the CALFED program. The Watershed program will provide this support through:
  - Increasing coordination and collaboration between existing and future local watershed programs, and
  - Technical and financial assistance for watershed activities

### B. Program Management Proposal

1. Commission Responsibilities
  - a. Planning. Prepare an annual workplan and long-term plan, including program priorities which support the Watershed program objectives and the annual CALFED priorities. Oversee implementation of the annual workplan.
  - b. Financial Assistance. Manage a financial assistance program for local watershed organization, planning, restoration and management projects, monitoring, and education programs.
  - c. Coordination, Assistance and Public Outreach. . Facilitate and improve coordination and assistance among government agencies, other organizations, and watershed groups. Convene stakeholder and local forums to maintain input into the program as needed. Oversee technical assistance program for local watershed programs.
  - d. Information Exchange. Increase exchange of information and data among those interested and involved with watershed management and achieving the goals of the CALFED Program.
  - e. Monitoring and Assessment. Coordinate with other CALFED Program Elements and with CMARP to ensure effective monitoring is being provided for watershed related actions.

- f. Integration with CALFED Programs. Provide ongoing support to the other CALFED Program Elements to ensure integration of the watershed program objectives of local community based planning and implementation where necessary and appropriate.
  - g. Studies and Research. Manage research and studies aimed at further defining the relationship of watershed processes with the objectives of the CALFED program
  - h. Performance Reports. Prepare reports to Commission on progress in meeting targets and objectives, and recommendation for program changes as needed.
2. State and Federal Agency responsibilities
- a. Coordination. There are numerous State and Federal agencies with watershed responsibilities. Through an interagency workgroup, the Commission would work to improve coordination and exchange of information
  - b. Grant Management. The Commission may delegate grant management responsibility to one or more existing agencies.
  - c. Technical Assistance. The Commission should delegate, to one or more existing agencies, the responsibility for technical assistance to local community watershed groups. Technical assistance should be overseen by the Commission and be consistent with Commission priorities and objectives.
3. Funding  
*(Does not include potential shifts in existing funding responsibilities or new funding mechanisms such as user fees)*
- a. The Watershed program will rely both on existing and new funding. *(Additional review of existing programs and authorities to determine the level of existing funding that may be available to support the Watershed program objectives).*
  - b. Initial new funding.
    - 1. Proposed Water Bond. A dedicated portion of the funding proposed (\$25-\$50 million) should be directed to support CALFED watershed objectives. The amount directed to CALFED objectives should give the Commission authority to approve program priorities, program plans, and annual funding levels.
    - Chapter 6, Watershed Protection Program provides a total of \$468 million to the SWRCB for watershed activities.

- Article 2--Watershed Protection, \$90 million appropriated to the SWRCB for grants to fund watershed activities. A portion (\$25 - \$50 million) of the funding should be dedicated to support CALFED objectives and the watersheds linked to the CALFED solution.
2. Bay Delta Ecosystem and Water Enhancement Security Act. If reauthorized, a portion of the funding could be available for watershed actions. Funding should be appropriated to the Commission to oversee and manage.

## **Section 4 Drinking Water Quality**

### **A. Program Description**

1. The CALFED drinking water quality objective is to continuously improve source water quality that allows for municipal water suppliers to deliver safe, reliable, and affordable drinking water that reliably meets, and where feasible, exceeds applicable drinking water standards.
2. The CALFED program for improving drinking water quality focuses on reducing the loads and /or impacts of bromide, total organic carbon, pathogens, nutrients, salinity, and turbidity through a combination of measures including:
  - Source reduction
  - Alternative sources of water
  - Treatment
  - Storage and conveyance improvements

### **B. Proposal**

1. Commission responsibilities:
  - a. Planning. Prepare an long-term plan and annual workplan including program priorities and actions. Oversee implementation of annual workplan.
  - b. Operations. Identify actions and studies related to storage, conveyance, and operational changes, and coordinate with the Water Management Strategy, Storage and Conveyance elements to implement program actions.

- c. Alternative Sources. Evaluate and implement water exchanges to shift higher quality supplies to urban users for drinking water while ensuring that agricultural users retain a reliable supply of water.
- d. Monitoring and Assessment. Manage the monitoring and assessment of the program studies and actions in coordination with the CALFED Comprehensive Monitoring Research and Assessment Program
- e. Treatment and Health Effects. Identify additional research needed for human health effects and treatment technologies and propose research to meet the needs. Identify additional funding needs related to drinking water regulation development performed by DHS and EPA. Research efforts will be coordinated with the CALFED Comprehensive Monitoring Research and Assessment Program (CMARP).
- f. Source Control. Identify and manage actions and studies to improve Delta source water quality related to drinking water implement. Implementation of the actions or studies may be directed to SWRCB or the appropriate agencies.
- g. Performance Reports. Prepare reports on program performance in meeting program objectives and targets--including trends in Delta water quality, progress in source control, trends in treatment technology status of human health effects of disinfection byproducts.
- h. Independent Scientific Review. Convene expert scientific panels to assess CALFED performance in meeting program objectives and targets.
- i. Public and Interagency Involvement. Convene and coordinate public and interagency involvement in the Drinking Water Quality program, such as the Delta Drinking Water Council (*NOTE: DDWC is currently a subcommittee of BDAC, but the DDWC should continue whether BDAC continues or not*).

2. State and Federal Agency responsibilities

- a. Environmental Protection Agency. -- Implement research on health effects related to disinfection byproducts and on new treatment technologies.
- b. Department of Health Services Implement research on health effects related to disinfection byproducts and on new treatment technologies.

Conduct source water assessment studies. Participate in water quality data coordination.

- c. State Water Resources Control Board & Central Valley Regional Water Quality Control Board. Implement studies and research on source water improvements. Participate in water quality data coordination
- d. Department of Water Resources. As needed, may implement project actions involving engineering features and other actions related to source water improvement. Implement studies and projects related to storage and conveyance. Implement actions related to the San Joaquin Drainage Management Program. Participate in water quality data coordination.
- e. U.S. Bureau of Reclamation.

### 3. Funding

*(Does not include potential shifts in existing funding responsibilities or new funding mechanisms such as user fees)*

- a. The Drinking Water Quality Program is expected to need to rely primarily on new funding sources to implement the Drinking Water Program because the Program is proposing new initiatives on top of existing base programs.
- b. Initial new funding. The Commission should have authority to approve program priorities, program plans, and annual funding levels over the following funding sources:
  1. Proposed Water Bond.
    - Chapter 9, Article 3 Bay Delta Multipurpose Water Management Program provides \$250 million to DWR for CALFED activities including:
      - \$17 million for agricultural drains/ facilities in the Delta for improving water quality.
    - Chapter 9, Article 4 provides \$180 million to DWR to provide loans/grants for programs and projects to increase water supplies, enhance reliability, and improve water quality.

- Chapter 7, Article 2 provides \$100 million to SWRCB for nonpoint source pollution control grants. (*should part of this funding be dedicated to CALFED objectives?*)
2. Bay Delta Ecosystem and Water Enhancement Security Act. If reauthorized, a portion of the funding could be available for drinking water quality actions. Funding should be appropriated to the Commission to oversee and manage.
- c. Existing Funding Authorities. Listed below are base level programs/authorities which are critical to the overall success of the Program and should not be significantly redirected for CALFED purposes, but certain portions of the program may address CALFED priorities.
1. Safe Drinking Water Program State Revolving Fund. Funding is primarily for loans to bring treatment facilities in compliance with existing standards. (Additional staff review is needed to determine if this funding is available for Drinking water Quality priority actions including research and pilot projects for treatment technologies for future standards related to disinfection byproducts related to bromide. Funding may also be available for source water assessments in the Delta.)
  2. Clean Water Act. Funding is primarily for loans for sewage treatment plants to meet discharge requirements. Funding is also available for nonpoint source programs (Section 319h). (Additional staff review is needed to determine if the nonpoint source funding is available for priority actions in the Drinking Water Quality Program. The FY 2000 Crosscut Budget indicates CVRWQCB received approximately \$1.1 million for this program related to CALFED.)

## **Section 5      Water Management**

### **A.      Program Description**

1. The Water Management Strategy (WMS) is a long-term framework for reaching CALFED's water supply reliability objective and to improve water supplies for all Program objectives.. The WMS includes tools to be implemented in Stage 1 that in combination are targeted at water supply reliability. The water management tools included in the WMS are water use efficiency, water transfers, water recycling, storage, conveyance, and operational changes. The WMS will need to be evaluated during Stage 1

to determine the success of the WMS and the need for selecting additional tools to achieve CALFED objectives.

## **B. Program Management Proposal**

### **1. Commission responsibilities:**

- Implementation of WMS Tools. Provide oversight over the implementation of the WMS tools to ensure coordination and integration is occurring. (See description of program management responsibilities for each WMS tools below).
- Monitoring and Assessment. Review the monitoring and assessment methods for the WMS tools.
- Performance Assessment Reports. Prepare performance assessment reports on the WMS and update the WMS as needed to achieve program objectives. .
- Permit Coordination. Coordinate permit requirements such as CWA Section 404 performance requirements.
- Research and Studies. Manage the related support studies and research of new tools (WUE, recycling, storage, hydroelectric facility reoperation, operational flexibility, conveyance)
- Public and Technical Involvement. Convene and coordinate public and technical involvement process for the WMS.
- Assess Water Demand. Advise DWR in the preparation the California Water Plan (Bulletin 160). DWR should report annually to the Commission on the preparation of the California Water Plan and the coordination and integration between the Plan and the CALFED Program.

### **2. State and Federal Agency Authorities and Responsibilities**

- US Bureau of Reclamation. USBR may be assigned the lead for managing certain WMS studies or research.
- Department of Water Resources. DWR maintains authority for water management in California, but is required to coordinate with CALFED Commission within the CALFED solution area. DWR may be assigned the lead for managing certain WMS studies or research.

- Other agencies --general coordination with CALFED, no change in authorities or responsibilities.

**C. Funding**

*(Does not include potential shifts in existing funding responsibilities or new funding mechanisms such as user fees)*

- The WMS will need to rely on new funding because no existing programs or funding authority is available to support the WMS coordination and oversight tasks described above. Therefore the funding will need to be new authorizations which should be appropriated to the Commission.
- Proposed Water Bond.  
Chapter 9, Article 4 includes \$180 million to DWR for loans/grants to increase water supplies, enhance reliability, and improve water quality. If approved, a portion of this funding may be available for program management and oversight of the WMS. Funding for implementing and assessment of the individual WMS tools is described below.
- Bay Delta Ecosystem and Water Enhancement Security Act. If reauthorized, a portion of the funding could be available for the WMS. Funding should be appropriated to the Commission to oversee and manage.

**3. Water Management Strategy Programs/Tools**

**A. Transfers**

**1. Program Description**

- a. The CALFED Water Transfers program proposes a framework of actions, policies, and processes that, collectively, will facilitate water transfers and the further development of a state-wide water transfer market. The framework will also include mechanisms to provide protection from third party impacts.

**2. Program Management Proposal**

- a. Commission Responsibilities
  - Planning. Prepare an annual workplan and long-term plan, including program priorities which support the Water Transfers program objectives.

Oversee implementation of the annual workplan.

- Transfer Information. Oversee the management of a Water Transfer Clearinghouse which would serve several information exchange functions. Implementation of the Clearinghouse may be delegated to an existing agency or may be implemented within the Commission.
  - Research. Identify necessary research and studies to address open technical or policy issues affecting program success.
  - Rules and Guidelines. The Commission should provide interagency coordination and facilitation with State and Federal agencies (SWRCB, DWR, and USBR) to ensure that rules and guidelines for water transfers are consistent and uniform, and ensure that agencies with existing authority provide a streamlined transfer review and approval process. Also facilitate discussions to resolve water transfer technical and policy issues (such as definitions of transferable water, clarification of carriage water requirements, reservoir refill criteria).
  - Public Outreach. Convene stakeholder and local forums to maintain input into the program as needed.
  - Technical and Scientific Review. Manage a scientific and technical review of program plans, priorities, and achievement of targets and objectives.
  - Performance Reports. Prepare reports to Commission on progress in meeting targets and objectives, and recommendation for program changes as needed.
  - Monitoring and Assessment. In coordination with CMARP, oversee the monitoring and assessment of the program's implementation and success in meeting targets and objectives.
- b. State and Federal Agency responsibilities.
- SWRCB, DWR, and USBR. These three agencies should advise the Commission in implementing all aspects of the transfer program. The agencies should be required to support the commission and the objectives of the Water Transfer program. The agencies should form an interagency committee (possibly formalized by a MOU) to serve these functions.

3. Funding

*(Does not include potential shifts in existing funding responsibilities or new funding mechanisms such as user fees)*

- a. The water transfers program is expected to need to rely primarily on new funding sources, but the funding demands for the program are minimal because there are no capital investments. New funding will likely be from annual State and Federal appropriations, or in part from new fees paid by water transfer proponents. Future State or Federal funding for the water transfers program should be directed to the Commission but if the Clearinghouse is established in an existing agency, funding for managing the Clearinghouse should be directed to that agency. The Commission should have review and approval authority of the Clearinghouse funding and priorities if delegated to a separate agency.

**B. Water Use Efficiency**

1. Program Description

- a. The CALFED Water Use Efficiency program helps improve water supply reliability as part of the Water Management Strategy but also can benefit the water quality program and the ecosystem restoration program. The objectives of the WUE Program are to:
  - Reduce existing irrecoverable losses
  - Achieve multiple benefits
  - Preserve local flexibility
  - Use incentive based-based actions over regulatory actions
  - Build on existing water use efficiency programs
  - Provide assurance of high water use efficiency

2. Program Management Proposal

- a. Commission Responsibilities
  - Planning. Prepare an annual workplan and long-term plan, including program priorities which support the WUE Strategic Plan. Oversee implementation of the annual workplan.
  - Financial Incentive Program. Manage a loans and grants program for WUE programs. Delegate contract/project management to state or federal agencies.

- Technical Assistance Program. Manage a technical assistance program to support the Strategic Plan. Delegate outreach and assistance to existing state and federal agencies.
  - Interagency Coordination and Public Outreach. Coordinate with Urban and Agricultural Councils. Convene local forums to maintain regional input into the Agricultural WUE program.
  - Technical and Scientific Review. Manage scientific and technical review of program plans, priorities, and achievement of targets and objectives.
  - Performance Reports. Prepare reports to Commission on progress in meeting targets and objectives, and recommendation for program changes as needed.
  - Monitoring and Assessment. In coordination with CMARP, oversee the monitoring and assessment of the program's implementation and success in meeting targets and objectives.
- b. State and Federal Agency responsibilities.
- The Commission should delegate technical assistance and outreach, and contract management of WUE loans and grants to existing State and Federal agencies. Potential agencies include Department of Water Resources, Department of Food and Agriculture, Natural Resources Conservation Service, and U.S. Bureau of Reclamation.

### 3. Funding

*(Does not include potential shifts in existing funding responsibilities or new funding mechanisms such as user fees)*

- a. The WUE Program is expected to need to rely primarily on new funding sources because there is no significant funding source that is an ongoing funding stream for WUE. The existing funding under Proposition 204 has been committed (*is that true?*). New funding will likely be from state bonds and annual federal appropriations.
- b. Initial new funding.
- Proposed Water Bond. Chapter 8, Articles 3 and 6 provide \$65 million for WUE to the Department of Water Resources. These funds should be required to be expended consistent with CALFED

objectives. DWR should work with the Commission to develop annual workplans and submit the plans and proposed projects to the Commission for approval.

- Bay Delta Ecosystem and Water Enhancement Security Act. If reauthorized, a portion of the funding could be available for WUE. Funding should be appropriated to the Commission to oversee and manage.
  - Appropriation of future State or Federal funding for the WUE program should be directed to the Commission or to other state and federal agencies depending on the purpose of the program funds.
- c. Existing Funding Authorities.
1. CVPIA Water Conservation. CVPIA Program should be required to be coordinated with the CALFED WUE program.

## C. Water Recycling

### 1. Program description

- a. The CALFED Water Recycling Program is focused on identifying and resolving barriers to water recycling to increase local implementation of recycled water projects.

### 2. Program Management Proposal

- a. Commission Responsibilities
  - Planning. Prepare an annual workplan and long-term plan, including program priorities which support the water recycling program. Oversee implementation of the annual workplan.
  - Financial Incentive Program. Manage a loans and grants program. Delegate program implementation to the Office of Water Recycling within the SWRCB which currently manages a loans and grants . Commission should oversee SWRCB implementation of the CALFED recycling funds ensure ongoing program integration and consistency with CALFED objectives.

- Technical Assistance Program. Assist urban water suppliers in preparing water recycling feasibility plans that meet requirements of the Urban Water Management Planning Act. Provide support for regional-scale recycling projects in Bay Area and Southern California and identify methods of partnering in regional projects. Coordinate outreach and assistance with SWRCB and other state and federal agencies.
  - Interagency Coordination and Public Outreach. Convene forums to maintain water user, environmental and public input into the program.
  - Technical and Scientific Review. Manage a scientific and technical review of program plans, priorities, and achievement of targets and objectives.
  - Performance Reports. Prepare reports to Commission on progress in meeting targets and objectives, and recommendations for program changes as needed.
  - Monitoring and Assessment. In coordination with CMARP, oversee the monitoring and assessment of the program's implementation and success in meeting targets and objectives.
- b. State and Federal Agency responsibilities.
- SWRCB. The Commission should delegate responsibility for implementation of the financial incentive program to SWRCB's Office of Water Recycling. The SWRCB should be responsible for soliciting projects for loans or grants consistent with priorities and procedures approved by the Commission. The SWRCB should be responsible for providing contract management of the approved projects. SWRCB should coordinate with USBR in developing a joint Water Recycling long-term plan and annual workplans.
  - USBR. The USBR, as the agency administering Title XVI, should be required to jointly develop a long-term plan and annual plan with the Commission and the SWRCB to ensure water recycling funding in California is coordinated and addressing the highest priorities for increasing water recycling.

3. Funding

*(Does not include potential shifts in existing funding responsibilities or new funding mechanisms such as user fees)*

- a. The Water Recycling Program will need to rely both on existing funding programs (primarily Federal Title XVI and existing State bond funds) and additional funding authorized by new State Bond Funds.
- b. Initial new funding.
  - Proposed Water Bond. The following funds that may be authorized by the new water bond should be required to be expended consistent with CALFED objectives. The SWRCB should work with the Commission to develop annual workplans and submit the plans and proposed projects to the Commission for approval.
    - Chapter 7, Article 3 provides \$30.5 million to the State Revolving Fund administered by the SWRCB for water treatment loans. (*determine if there is a recycling component to the funding*)
    - Chapter 7, Article 4 provides \$40 million to the SWRCB for water recycling projects.
  - Bay Delta Ecosystem and Water Enhancement Security Act. If reauthorized, a portion of the funding could be available for water recycling. Funding should be appropriated to the Commission to oversee and manage.
  - Appropriation of future State funding for the Water Recycling loans and grants Program should be directed to the SWRCB.
- c. Existing Funding
  - Title XVI of the Reclamation Wastewater and Groundwater Study and Facilities Act (Title XVI) administered by the USBR, provides funds for initial project appraisal investigations (full federal funding) and for feasibility studies (50% federal cost share) and for project construction ( up to 50% cost share). Title XVI authorizes specific regional projects/studies. The USBR should be required to coordinate with the Commission and SWRCB to develop joint long-term plans and annual workplans for expenditure of state and federal funds for water recycling. (*May require amendment to Title XVI.*)

## D. Storage

### 1. Program Description

- a. The storage element of the Water Management Strategy is supported by an Integrated Storage Investigation (ISI). The ISI provides a comprehensive framework for evaluation of storage implementation and management opportunities through Stage 1 and beyond. The ISI includes:

- Evaluations of north of Delta off-stream surface storage
- In-Delta and adjacent to Delta surface storage
- On stream storage enlargement
- Groundwater and conjunctive use
  
- Power facilities reoperation
- Fish migration barrier removal evaluations.

### 2. Program Management Proposal

a. Commission Responsibilities

- ISI Planning. Prepare an annual workplan and long-term plan, including program priorities which support the ISI. Oversee implementation of the annual workplan.
- Reoperation and fish barrier studies. Manage studies necessary to complete the ISI.
- Surface Storage Planning (Feasibility studies, environmental documentation/permitting). Oversee surface storage program, but delegate program implementation to DWR or USBR.
- Surface Storage Construction. If the WMS includes construction of surface storage projects, the Commission should delegate construction management to DWR or USBR but maintain oversight and project approval at the Commission.
- Conjunctive Use /Ground Water Storage Projects.

--Evaluate Conjunctive Use Opportunities. Participate in cooperative studies of conjunctive use opportunities with local agencies and stakeholders. Oversee conjunctive use program, but delegate implementation to DWR or USBR.

--Manage a financial incentive program of loans or grants to promote locally supported conjunctive use programs. Contract management may be delegated to existing agencies such as DWR or USBR.

- Interagency Coordination and Public Outreach. Convene forums to maintain water user, environmental and public input into the program.
  - Performance Reports. Prepare reports to Commission on progress in meeting targets and objectives, and recommendations for program changes as needed.
  - Monitoring and Assessment. In coordination with CMARP, oversee the monitoring and assessment of the program's implementation and success in meeting targets and objectives. This will be a critical component of the conjunctive use /groundwater actions.
- b. State and Federal Agency responsibilities.
- Surface Storage--DWR/ USBR. The Commission should delegate responsibility for implementation of specified surface storage studies and potential construction to DWR or USBR. All activities should require Commission approval at major milestones and be consistent with CALFED objectives and priorities.
  - Conjunctive Use-- DWR. The Commission may delegate responsibility studies and for contract management to DWR for selected conjunctive use projects.

### 3. Funding

*(Does not include potential shifts in existing funding responsibilities or new funding mechanisms such as user fees)*

- a. The Storage/ISI Program will need to rely primarily on new State or Federal funding because there are no ongoing existing funding sources which exist to support the program.
- b. Initial new funding.
  - Bay Delta Ecosystem and Water Enhancement Security Act. If reauthorized, a portion of the funding could be available for groundwater storage and possibly surface storage. Funding should be appropriated to the Commission to oversee and manage.

- Annual State General Fund appropriations. Funding has been included in recent years in the State budget for implementation of the ISI. This funding should be appropriated to the Commission once established. Prior to establishment of the Commission, funding should be required to be consistent with CALFED objectives, require coordination with CALFED, the proposed workplan submitted to Policy Group/or the Commission for approval
- Proposed Water Bond. The following funds included in proposed water bond should be required to be expended consistent with CALFED objectives.
  - Chapter 8, Article 4, Groundwater recharge facilities \$30 million continuously appropriated to DWR for groundwater recharge loans and grants.
  - Chapter 9, Article 2, Groundwater Storage Program, \$200 million appropriated to DWR for grants for conjunctive use projects.
  - Chapter 9, Article 4 provides \$180 million to DWR to provide loans/grants for programs and projects to increase water supplies, enhance reliability, and improve water quality.

**E. Conveyance**

1. Program Description

- a. The CALFED Program proposes a staged through-Delta approach to conveyance. Modifications in Delta conveyance should result in improved water supply reliability, water quality, ecosystem health, and reduced risk of water supply disruption due to catastrophic breaching of Delta levees.

2. Program Management Proposal

- a. Commission Responsibilities
  - Planning. Prepare an annual workplan and long-term plan, including program priorities which support the conveyance objectives. Oversee

implementation of the annual workplan.

- South Delta Improvements

- Screening at State and Federal Projects. Oversee and direct screening program, but delegate implementation and management (feasibility studies/ environmental documentation/permitting/construction) of individual projects to DWR or USBR.

- Screening local diversions.

- Barriers. Oversee implementation of barriers program. Coordinate agency and local involvement. Delegate implementation to DWR.

- Dredging.

- Joint Point of Diversion. Coordinate state and federal agencies annual requests to SWRCB for a joint point of diversion.

- Operational Changes. When this comprehensive suite of South Delta improvements and South Delta ERP actions have been completed, oversee and coordinate agency involvement in changing SWP operating rules to allow export pumping up to the current physical capacity of the SWP pumps.

- North Delta Improvements. Oversee North Delta improvement actions including modified operational criteria for the Delta Cross Channel, study of a screened diversion structure on the Sacramento River and flood management and habitat improvements on the lower Mokelumne.

- Interagency Coordination and Public Outreach. Convene forums to maintain water user, environmental and public input into the program. Coordinate state and federal agencies participating in the program

- Scientific and Technical Review. Manage the scientific and technical review process for conveyance improvements.

- Performance Reports. Prepare reports to Commission on progress in meeting targets and objectives, and recommendations for program changes as needed. Includes an evaluation of whether additional conveyance facilities and/or other water management actions should be taken in the future.

- Monitoring and Assessment. In coordination with CMARP, oversee the monitoring and assessment of the program's implementation and success in meeting targets and objectives.
- b. State and Federal Agency responsibilities
- The Commission should delegate to DWR, USBR, and other existing agencies the responsibility for project implementation for South Delta and North Delta conveyance improvements.

3. Funding

*(Does not include potential shifts in existing funding responsibilities or new funding mechanisms such as user fees)*

- a. The Conveyance program will need to rely primarily on new State or Federal funding.
- b. Initial New Funding.
  - Bay Delta Ecosystem and Water Enhancement Security Act. If reauthorized, a portion of the funding could be available for conveyance improvements. Funding should be appropriated to the Commission to oversee and manage.
  - Proposed Water Bond. The following funds included in proposed water bond should require Commission review and approval. Language in the proposed bond requires funds not be expended until certification of the EIR/S and after consultation with CALFED agencies. Funding should also be required to be expended consistent with CALFED objectives.
    - Chapter 9, Article 3, Bay Delta Multi-purpose Water Management Program, includes funding to be used by DWR in consultation with CALFED agencies for:
      - South Delta fish facilities/screens for SWP and CVP (\$120 million)
      - Permanent barrier at head of Old River (\$40 million).
      - Permanent barrier at Grantline Canal (\$16 million)

## Chapter 4 Science in CALFED

The Commission would incorporate scientific and technical information and review at several levels in the program, and it would be incorporated within the program and be provided externally to the program

### Section 1. Scientific Review Board.

- A. The Commission would appoint a Scientific Review Board (SRB), to assure the appropriate use of science in the Commission's decisions. Although the SRB would be directed to make independent assessments and offer recommendations based on its best judgment including, where necessary, analyses of disagreements among members of the panel; final responsibility for the annual performance assessment report and for all adaptive management decisions would remain with the Commission.
- B. Duties would include assisting the Commission in:
- Understanding the quality and usefulness of available technical and scientific information;
  - Applying scientific and technical information in the adaptive management decision-making process;
  - Evaluating the quality and effectiveness of CMARP (described below); and
  - Reviewing the annual performance assessment for the CALFED program.
- C. In appointing members to the SRB, the Commission would seek the help of national scientific organizations and SRB members.

### Section 2. CMARP.

- A. The Commission would oversee a Comprehensive Monitoring, Assessment and Research Program (CMARP).
- B. CMARP would manage and coordinate the monitoring, assessment and research actions of the CALFED program to provide integration between the Program Elements, and oversee the adaptive management process. *(CMARP would likely be managed by a "Chief Scientist" for the Commission.)*

### Section 3 Scientific Review of Programs.

- A. Based on the advice and review of the SRB, the Commission would establish processes to review the scientific and technical aspects for each of the program elements. For example, Program Elements would be reviewed for soundness of design to meet program

objectives, techniques used in program execution, data analyses, application of project results to overall program objectives, and priority setting and project selection.

**Chapter 5 Annual Report to Congress and Legislature**

**Principle:** *(refer to involvement by elected officials)*

**Chapter 6 CALFED Agency Coordination and Public Participation.**

**Principle 10:** *The Commission's meetings should be open and public, and the Commission should seek ways to maximize public knowledge of, and involvement in, its work. The Commission should support involvement in the Program at a local level.*

**Section 1** The Commission would coordinate its program and activities with other State and Federal agencies not represented on the Commission and with tribal governments, local agencies, and organizations that have a role or interest in CALFED goals and objectives.

**Section 2** The Commission shall convene as needed, advisory groups or policy and technical groups to assist in implementation.