

DRAFT

Developing a Draft Preferred Program Alternative

(NOTE: This draft paper provides an overview of how "staged implementation" and predefined conditions and linkages for progressing between stages can be used to develop a draft preferred program alternative. The paper will be updated frequently with input from CALFED agencies and stakeholders. It is currently the primary discussion tool for developing a preferred alternative but will ultimately be incorporated in a broader implementation plan for the preferred program alternative including the six common program elements, potential storage and conveyance improvements, financing, monitoring, and assurances package.)

CALFED is exploring three basic alternatives (approaches) to solving the problems in the Bay-Delta system. As part of each alternative, there are six common program elements (water quality, water use efficiency, ecosystem restoration, levee system integrity, water transfer framework, and watershed coordination) and related assurances, financing, and monitoring that will make up a preferred program alternative. The alternatives also include the potential of water storage and different Delta conveyance configurations.

The preferred program alternative will be a comprehensive package of the six common program elements and potential water storage and conveyance improvements that, together, must reduce conflicts in the Bay-Delta system and meet the CALFED goals. The CALFED goals are:

- Improve and increase aquatic and terrestrial habitats and improve ecological functions in the Bay-Delta to support sustainable populations of diverse and valuable plant and animal species
- Provide good water quality for all beneficial uses
- Reduce the mismatch between Bay-Delta water supplies and current and projected beneficial uses dependent on the Bay-Delta system
- Reduce the risk to land use and associated economic activities, water supply infrastructure, and the ecosystem from catastrophic breaching of Delta levees

Considering the complexity and large number of items to be completed as part of the CALFED Program, 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. Many of 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 the components of a draft preferred program alternative, with primary emphasis on the concept of "staged implementation", conditions and linkages which guide initial and future implementation stages, and a list of example Stage I actions. These components can form the basis of a preferred program alternative.

Components of a Draft Preferred Program Alternative

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 progressing on a number of issues, including the items listed below, **prior** to finalizing the draft preferred program alternative (see Attachment A for further description of components). Therefore the "decision" for a draft preferred program alternative must include:

- Conditions/Linkages
- Stage 1 Actions
- Governance and Assurances
- Cost Allocation
- Environmental Documentation
- Water Project Operating Rules

Staged Implementation

The complexity of the CALFED Program 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.

Staged implementation for the CALFED preferred program alternative involves identifying certain actions for implementation for which there is general agreement and justification, and also

Staged Implementation

- **Identify certain actions at the outset (for all stages).**
- **Identify possible actions for future stages with associated conditions to guide the decisions. This will allow some decisions when more scientific information will be available and the effects of previous actions will be better known.**

identifying actions where uncertainty exists and developing conditions for moving beyond Stage 1. For the Program actions where uncertainty exists certain predefined conditions would need to be met before actions could proceed. For example, certain conditions would be linked to the decision to construct major facilities. "Conditional decisions" on several Program elements may be required at each stage of implementation.

Conditional Decision

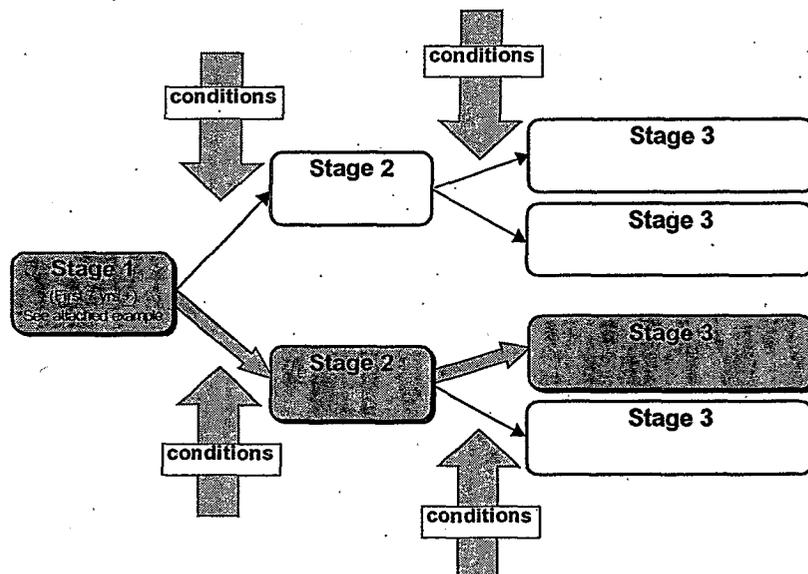
For those areas of the program where uncertainty exists, the decision to proceed will be guided by a carefully crafted set of predefined conditions. Conditional decisions determine how the Program moves from stage to stage.

Decisions on what actions should be part of the draft preferred program alternative fall into three categories:

1. Yes - Proceed with an action based on general agreement that it is part of CALFED solution. Actions are linked to progress in all areas of the Program.
2. No - Reject the action due to failure to meet CALFED objectives and solution principles.
3. Maybe - For the actions where uncertainty or important linkages exist, the decision can be structured in two basic ways:
 - Presume action does not proceed unless the other selected actions fail to produce necessary results and specific conditions are met.
 - Presume action proceeds as long as certain linkages are maintained and conditions met.

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 move the Program towards CALFED goals. Stage 1 would also include a set of conditions to guide how the Program would move into subsequent stages.

Conditional Decisions



For example, 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.

In addition, because of the uncertainty, 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.

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 or some combination of these to form a preferred alternative depending on how the predefined conditions are met.

In order to succeed:

- Stage 1 must begin the commitment for improvement in all Program areas for the Bay-Delta system.
- Stage 1 must provide stability in the water resources management framework 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.

The *DRAFT Example Stage 1 Implementation* (Attachment 2) 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.

Potential Conditions/Linkages for Future Decisions

Discussion is beginning on some potential conditions and linkages for a draft preferred Program alternative. There are many potential linkages between the various actions in the common program elements, storage, and conveyance.

Based on extensive stakeholder input over the last three years we are developing a proposed approach to crafting the draft preferred program alternative. There is broad agreement on proceeding with the common program elements with implementation linked to reasonable progress in all Program areas. However, for the storage and conveyance elements of the Program, there is uncertainty on the need for major facilities. Therefore, we have proposed in general terms a series of predefined conditions which need to be met in order to proceed with storage and conveyance actions. As described earlier, for those actions where sufficient uncertainty exists, a decision can be structure in two ways; (1) presume action does not proceed unless certain conditions occur, or (2) presume action proceeds if certain conditions occur.

The following linkages and conditions are proposed to facilitate discussion among agencies and stakeholders:

1. **Common Program linkages.** Meeting the CALFED mission statement and goals is dependent on significant progress on the common program elements of:

- Water quality
- Water use efficiency
- Ecosystem restoration
- Levee system integrity
- Water transfer framework
- Watershed coordination

All common program elements need to progress together. Progress in on each element needs to be linked to progress in all other elements of the preferred program alternative. Presume the actions in Stage 2 proceed if there is reasonable progress for all program elements in Stage 1.

2. **Conveyance.** Presume an optimized Delta conveyance alternative is implemented based on the existing Delta configuration or modifications of Delta channels if adequate protections are achieved for fisheries and water quality. An isolated facility will only be considered if there is:

- a. Public health mandate for reduced bromide levels that cannot be addressed more economically by source water improvements or improved water treatment and/or there is continued fishery decline tied to water exports which can only be addressed by significant reduction in south Delta pumping

- b. Limit on the amount of water that can be exported (linked to water year type)
 - c. Commitment (legislative or contractual) to use excess excavated material from facility construction for levee and habitat improvements
 - d. Commitment (Delta standards or contractual) to preserve in-Delta water quality
 - e. Commitment to address potential seepage from the isolated conveyance facility
 - f. Commitment to address potential flood impacts along the facility alignment
 - g. Long-term funding for Delta levees (perhaps tied to quantity of water moved in the isolated facility)
 - h. Commitment (legislative) that construction of isolated facility cannot proceed ahead of construction of new regional surface storage
 - i. Site specific environmental documentation and permitting completed
 - j. Demonstrated willingness to finance by beneficiaries
3. **Water Export Regulations.** Presume water export regulations are revised if:
- a. Significant changes in the Delta conveyance configuration and condition of the ecosystem occurs
4. **Surface Storage.** Presume surface storage is constructed if:
- a. Defined progress for the water use efficiency program is achieved. 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
 - b. Demonstrated need for surface storage (for urban, agricultural, or environmental uses) with water transfer market and water use efficiency measures in place
 - c. Site specific environmental documentation and permitting completed
 - d. Demonstrated willingness to finance by beneficiaries
5. **Groundwater/conjunctive use programs.** Presume north of Delta groundwater/conjunctive use programs are not implemented unless:
- a. Progress is being made on north of Delta surface storage
 - b. Baseline groundwater monitoring, and groundwater modeling is established