

Work Plan for Fiscal Year 2004

I. Program Title Dedicated Project Yield CVPIA Section 3406 (b)(2)

II. Responsible Entities

	Agency	Staff Name	Role
Lead	USFWS	Roger Guinee	Program Manager
Co-Lead	USBR	Ann Lubas-Williams	Program Manager

III. Program Objectives for FY 2004

The Department of the Interior (Interior) has the responsibility to dedicate and manage annually 800,000 acre-feet of CVP yield ((b)(2) water) for fish, wildlife, and habitat restoration purposes. The management of (b)(2) water will be closely coordinated with the management of CALFED's Environmental Water Account (EWA). The program objectives are enumerated below. The source documents for these objectives include the CVPIA Programmatic Record of Decision (ROD), Final Restoration Plan for the Anadromous Fish Restoration Program (AFRP), CALFED Programmatic ROD, and Interior's May 9, 2003 Decision on Implementation of Section 3406 (b)(2) of the CVPIA. Interior revised the Decision to comport with the U.S. District Court's ruling dated March 20, 2002. The program objectives have been cross-referenced against the actions the program will undertake in FY 2004 in Section VI below.

- a. Improve habitat conditions for anadromous fish in CVP controlled rivers and streams and the Bay-Delta to help meet the AFRP doubling goals.
- b. Increase survival of out migrant juvenile anadromous fish, especially in the Bay-Delta.
- c. Enhance recovery of listed threatened and endangered fish species.
- d. Monitor and evaluate to assess the effectiveness of (b)(2) measures.

IV. Status of the Program

On October 6, 1999, Interior released the Final Decision on Implementation of Section 3406 (b)(2). The Final Decision and accompanying attachments set out a calculation of CVP yield, the method of accounting for use of the dedicated CVP yield, procedures for management of the yield, and lists potential fishery measures which may be prescribed by the Service. In January 2000 the Federal District Court issued an order upholding Interior's Decision and requiring that Interior dedicate and manage no more and no less than 800,000 acre feet of (b)(2) water annually. However, in March, 2002 the Federal District Court ruled that portions of Interior's accounting methodology were arbitrary and capricious.

On May 9, 2003, Interior revised the (b)(2) Decision to comport with the District Court's ruling. On June 3, 2003 the US Court of Appeals for the Ninth Circuit upheld the District Courts' ruling on offset/reset, but stated the District Court erred in concluding that Interior lacks discretion to specify what portion of the 800,000 acre feet be set aside for water quality and Endangered Species Act purposes. Section 3406 (b)(2) provides that the "primary purpose" to which the 800,000 acre feet should be dedicated is the implementation of "fish, wildlife, and habitat restoration purposes authorized by this title..." (i.e., CVPIA). The non-mandatory language of the statute gives Interior discretion to allocate the 800,000 acre feet among fish and wildlife, water quality, and endangered species obligations, as long as Interior's allocation gives effect to the hierarchy of purposes established in Section 3406 (b)(2).

The CALFED Programmatic ROD, signed on August 28, 2000, established an Environmental Water Account (EWA) program whose purpose is to provide protection (supplemental to a baseline level of protection) to the fish of the Bay-Delta estuary. The management of the (b)(2) water was closely coordinated with the management of the EWA. Also, development of an updated Operations Criteria and Plan (OCAP) is underway and will continue. The updated OCAP will reflect the AFRP flow objectives and the revised decision on implementation of the dedicated water and the EWA. These efforts include tasks performed by the Service, Reclamation, and contractors. Monitoring and evaluation will continue to be implemented to assess the effectiveness of the environmental measures.

V. FY 2003 Accomplishments

A. The Decision on Implementation of Section 3406(b)(2), as modified by the Federal District Court's March, 2002 ruling, was implemented in 2003 and was coordinated with the third year implementation of CALFED's EWA.

B. The Operations Criteria and Plan (OCAP) is being updated to reflect the AFRP, (b)(2), and EWA implementation scenarios, in addition to operational modifications, such as the South Delta Improvement Program (8,500 cfs), the DMC/CA aqueduct intertie, etc..

C. Implemented upstream actions and several Bay-Delta actions consistent with the Final (b)(2) Decision as modified by the Federal District Court's March, 2002 order that contributed to the CVPIA's goal of doubling natural production of anadromous fish and providing concurrent benefits to other fish and wildlife, including endangered species.

D. Continued the monitoring and evaluation to assess the effectiveness of (b)(2) environmental measures.

VI. Tasks, Costs, Schedules and Deliverables

A. Narrative Explanation of Tasks.

1. Program Management. The Service and Reclamation Program Managers are responsible for co-managing this program.
 - 1.1 Coordination and Budget. The Service and Reclamation Program Managers are responsible for preparing the Annual Work Plan and implementing the overall program including outreach and coordinating with other agencies and stakeholders.
 2. Project Management. The Service and Reclamation share responsibility for project management.
 - 2.1 Spreadsheet Model and Forecast. Every month, after consultation with the State Water Project (SWP), Reclamation will prepare an annual operations forecast representing the 1992 baseline conditions and the 1995 Water Quality Control Plan (WQCP) conditions. Based on the operations forecast, the Service will consult with biologists from the other federal and state agencies in preparing an annual (b)(2) fishery action plan. An iterative process will take place in developing a final operations forecast that incorporates the annual (b)(2) fishery action plan. The forecast will be updated monthly and coordinated with the (b)(2) Interagency Team and management of EWA.
 - 2.2 Monthly and Annual Accounting of (b)(2) Actions. Reclamation and the Service will jointly develop a preliminary accounting of (b)(2) water on the 15th day of every month showing the current accounting for the accounting year as of the end of the previous month. Final accounting for all (b)(2) actions during the entire water year will be calculated by October 31.
 - 2.3 Stakeholder and Public Involvement. To assist Interior in developing the annual fish actions to dedicate and manage the 800,000 acre feet, Interior has established a stakeholder and public involvement process to present and discuss information on the annual (b)(2) fishery action plan and how the plan is integrated into the operations forecast. Interior will also seek stakeholder and public input on the Revised Decision and the updated OCAP.
 - 2.4 Monitoring and Evaluation. Monitoring and evaluation will be implemented to assess the effectiveness of (b)(2) measures.
 - 2.5 Model Evaluations. Limited computer model evaluations will be conducted assessing various (b)(2) implementation scenarios and integrating preliminary water acquisition decisions developed in FY01 implementation strategy. This will contribute to an integrated environmental water plan, including level 2 and level 4 refuge water supplies.
3. Litigation
 - 3.1 Prepare Information for Litigation. The preparation of the administrative record and updated information for the lawsuits and/or appeals on Interior's proposed management of the (b)(2) water will be completed by the Service and Reclamation.
4. Develop an Updated Operations Criteria and Plan
 - 4.1 Develop an Updated Operations Criteria and Plan (OCAP) for CVP and SWP in Support of Bay-Delta Actions. The OCAP will address the Bay-Delta and

Coordinated Operations Agreement (COA) obligations and will reflect the AFRP, the (b)(2) and EWA implementation scenarios, in addition to operational modifications, such as the South Delta Improvement Program (8,500 cfs), DMC/CA intertie, etc. This will be developed by Reclamation and DWR in coordination with the Service, NMFS, and DFG.

Additional Funding Needs

Additional efforts on the above tasks and implementation of additional projects which meet the above priorities will be initiated as funding allows. Additional funding needs summarized below and are shown in Tables C and D on Pages 8 and 10.

5. Additional Funding Needs

- 5.1 Water Management Guidelines for the Stanislaus River. Reclamation and the Service will develop long-term water management guidelines for the Stanislaus River to replace the existing interim operations plan. Currently, Stanislaus River flow management is based on the 1997 New Melones Interim Plan of Operation with no provision for drought years. The long-term guidelines will update and revise the interim plan and recommend a process for drought year discussions and water management.
- 5.2 Wheeling Costs. Administer costs of wheeling water through SWP project facilities. Some Bay-Delta actions may require the wheeling of CVP water supplies at Banks Pumping Plant and the California Aqueduct.
- 5.3 Environmental Compliance. Environmental Compliance activities will be initiated as needed and include endangered species consultation.
- 5.4 The tables also identify additional funding needs for tasks 2.1 through 4.1.

B. Schedule and Deliverables.

		Dates		
#	Task	Start	Complete	Deliverable
1	Program Management	10/01/03	09/30/04	Revised FY2004 Annual Work Plan (AWP), a draft FY2005 AWP, and grants, agreements, and contracts.
1.1	Coordination and Budget	10/1/03	9/30/04	AWP, grants, agreements, and contracts.
2	Project Management	10/1/03	9/30/04	The Service and Reclamation share responsibility for project management.
2.1	Spreadsheet Model and Forecast	10/1/03	9/30/04	Monthly and Annual Operations Forecast coordinated with the (b)(2) Interagency Team and management of EWA.
2.2	Monthly and Annual Accounting of (b)(2) Actions	10/1/03	9/30/04	Preliminary monthly accounting report on 15 th of each month. Final accounting report October 31.
2.3	Stakeholder and Public Involvement	10/1/03	9/30/04	Seek input developing (b)(2) fish actions through bi-annual workshops and monthly CALFED Operations Group meetings. Also, seek input on the Revised (b)(2) Decision and the updated OCAP.
2.4	Monitoring and Evaluations	10/1/03	9/30/04	Monitoring and evaluation to assess effectiveness of (b)(2) fish actions.
2.5	Model Evaluations	10/1/03	9/30/04	Model evaluations conducted to assess various (b)(2) implementation scenarios.
3.1	Prepare Information for Litigation	10/1/03	9/30/04	Prepare administrative record and updated information for lawsuits and/or appeals.
4.1	OCAP for CVP and SWP	10/1/03	9/30/04	Updated OCAP for Bay-Delta and COA obligations.

Explanatory Notes: The monitoring and evaluations (2.4) are multi-year efforts. The preliminary results are reported in a variety of forums, such as the IEP newsletter, CALFED EWA Science Review Panel, VAMP Annual Report, and others. The contractors provide an annual report to the Service each year.

Schedule and Deliverables - Additional Funding Needs.

#	Task	Dates		Deliverable
		Start	Complete	
2.1	Spreadsheet Model and Forecast	10/1/03	9/30/04	Monthly and Annual Operations Forecast coordinated with the (b)(2) Interagency Team and management of EWA.
2.2	Monthly and Annual Accounting of (b)(2) Actions	10/1/03	9/30/04	Preliminary monthly accounting report on 15 th of each month. Final accounting report October 31.
2.3	Stakeholder and Public Involvement	10/1/03	9/30/04	Seek input developing (b)(2) fish actions through bi-annual workshops and monthly CALFED Operations Group meetings. Also, seek input on the Revised (b)(2) Decision and the updated OCAP.
2.4	Monitoring and Evaluations	10/01/03	9/30/04	Monitoring and evaluation to assess effectiveness of (b)(2) fish actions.
2.5	Model Evaluations	10/01/03	9/30/04	Model evaluations conducted to assess various (b)(2) implementation scenarios.
3.1	Prepare Information for Litigation	10/1/03	9/30/04	Prepare administrative record and updated information for lawsuits and/or appeals.
4.1	OCAP for CVP and SWP	10/01/03	9/30/04	Updated OCAP for Bay-Delta and COA obligations.
5.1	Water Management Guidelines	10/01/03	9/30/04	Develop long-term water management guidelines for the Stanislaus River.
5.2	Wheeling Costs	10/01/03	9/30/04	Administer costs of wheeling water through SWP facilities.
5.3	Environmental Compliance	10/01/03	9/30/04	Environmental compliance activities will be initiated as needed.

Explanatory Notes: This table indicates there are additional funding needs for Tasks 2.1 through 4.1.to adequately and thoroughly complete these tasks in a timely manner.

C. Summary of Program Costs and Funding Sources.

#	Task	Total Cost	Funding Sources
			RF
1	Program Management	\$ 4,000	\$ 4,000
1.1	Coordination and Budget	\$ 4,000	\$ 4,000
2.1	Spreadsheet Model and Forecast	\$100,000	\$100,000
2.2	Monthly and Annual Accounting of (b)(2) actions	\$100,000	\$100,000
2.3	Stakeholder and public involvement	\$ 10,293	\$ 10,293
2.4	Monitoring and Evaluation	\$558,707	\$558,707
2.5	Model evaluations	\$100,000	\$100,000
3.1	Prepare Information for litigation	\$ 10,000	\$ 10,000
4.1	Develop OCAP for CVP and SWP	\$ 13,000	\$ 13,000
Total Program Budget		\$900,000.00	\$900,000

Explanatory Notes: Reclamation and the Service will split the budget for tasks 1, 1.1, 2.1, 2.2, 2.3, 2.5, 3.1, and 4.1. The Service with assistance from contractors will conduct the monitoring and evaluation (2.4).

Program Costs and Funding Sources - Additional Funding Needs.

#	Task	Total Cost	Funding Sources
			RF
2.1	Spreadsheet Model and Forecast	\$100,000	\$ 100,000
2.2	Monthly and Annual Accounting of (b)(2) actions	\$100,000	\$ 100,000
2.3	Stakeholder and Public Involvement	\$45,000	\$ 45,000
2.4	Monitoring and Evaluation	\$482,715	\$ 482,715
2.5	Model Evaluations	\$225,000	\$ 225,000
3.1	Prepare Information for Litigation	\$40,000	\$ 40,000
4.1	Develop OCAP for CVP and SWP	\$90,000	\$ 90,000
5.1	Water Management Guidelines	\$200,000	\$ 200,000
5.2	Wheeling Costs	\$350,000	\$ 350,000
5.3	Environmental Compliance	\$0	\$
Total Program Budget		\$1,632,715	\$ 1,632,715

Explanatory Notes: Reclamation and the Service will split the budget for tasks 2.1, 2.2, 2.3, 2.5, 3.1, 4.1, 5.1, and 5.3. This (5.3) is a placeholder for potential environmental compliance needs. Currently, there's no additional environmental compliance anticipated. The Service with assistance from contractors will conduct the monitoring and evaluation (2.4), the model evaluation will include work done by a Service contractor (2.5), and Reclamation administer costs of wheeling water (5.2).

D, CVPIA Program Budget

#	Task	FTE	Direct Salary and Benefits Costs	Contract costs	Misc Costs	Admin Costs	Total Costs
1	Program Management (USBR)	0.02	\$1,150	\$0	\$0	\$350	\$1,500
	Program Management (FWS)	0.02	\$2,050			\$450	\$2,500
1.1	Coordination and Budget(USBR)	0.02	\$1,150	\$0	\$0	\$350	\$1,500
	Coordination and Budget(FWS)	0.02	\$2,050			\$450	\$2,500
2.1	Spreadsheet Model Forecast (USBR)	0.3	\$38,600	\$0	\$0	\$11,400	\$50,000
	Spreadsheet Model Forecast(FWS)	0.3	\$41,000			\$9,000	\$50,000
2.2	Accounting of (b)(2) actions (USBR)	0.3	\$38,600	\$0	\$0	\$11,400	\$50,000
	Accounting of (b)(2) actions (FWS)	0.3	\$41,000			\$9,000	\$50,000
2.3	Stakeholder Involvement (USBR)	0.02	\$6,293	\$0	\$0	\$2,000	\$8,293
	Stakeholder Involvement (FWS)	0.02	\$1,640			\$360	\$2,000
2.4	Monitoring and Evaluation (FWS)	3.0	\$316,737	\$170,086	\$0	\$71,884	\$558,707
2.5	Model Evaluations (USBR)	0.3	\$38,600	\$0	\$0	\$11,400	\$50,000
	Model Evaluations(FWS)	0.3	\$41,000			\$9,000	\$50,000
3.1	Prepare Info for litigation (USBR)	0.02	\$3,860	\$0	\$0	\$1,140	\$5,000
	Prepare Info for litigation (FWS)	0.02	\$4,100			\$900	\$5,000
4.1	OCAP CVP / SWP (USBR)	0.00	\$0	\$0	\$0	\$0	\$0
	OCAP CVP / SWP(FWS)	0.08	\$10,660	\$0	\$0	\$2,340	\$13,000
	Total (USBR)	1.0	\$128,253	\$0	\$0	\$38,040	\$ 166,293
	Total (FWS)	4.0	\$460,237	\$170,086	\$0	\$103,384	\$733,707
	Overall Total		\$588,490	\$170,086	0	\$141,424	\$900,000

CVPIA Program Budget - Additional Funding Needs

#	Task	FTE	Direct Salary and Benefits Costs	Contracts Costs	Misc Costs	Admin Costs	Total Costs
2.1	Spreadsheet Model forecast(FWS)	0.4	\$41,000	\$	\$	\$9,000	\$50,000
	Spreadsheet Model forecast(USBR)	0.4	\$50,000				\$50,000
2.2	Accounting of (b)(2)(FWS)	0.4	\$41,000	\$	\$	\$9,000	\$50,000
	Accounting of (b)(2)(USBR)	0.4	\$50,000				\$50,000
2.3	Stakeholder Involvement(FWS)	0.2	\$18,450	\$	\$	\$4,050	\$22,500
	Stakeholder Involvement(USBR)	0.2	\$22,500				\$22,500
2.4	Monitoring and Evaluation(FWS)	0.8	\$122,135	\$321,677	\$0	\$38,903	\$482,715
2.5	Model Evaluations(FWS)	0.1	\$10,417	\$95,694	\$0	\$6,389	\$112,500
	Model Evaluations(USBR)	0.9	\$112,500	\$0			\$112,500
3.1	Prepare Info for Litigation(FWS)	0.2	\$16,400	\$0	\$0	\$3,600	\$20,000
	Prepare Info for Litigation(USBR)	0.2	\$20,000				\$20,000
4.1	OCAP/CVP/SWP(FWS)	0.4	\$36,900	\$0	\$0	\$8,100	\$45,000
	OCAP/CVP/SWP(USBR)	0.4	\$45,000				\$45,000
5.1	Water Management Guidelines(FWS)	0.8	\$82,000	\$0	\$0	\$18,000	\$100,000
	Water Management Guidelines (USBR)	0.8	\$100,000				\$100,000
5.2	Wheeling Costs(USBR)	0.2	\$20,000	\$330,000	\$0	\$	\$350,000
5.3	Environmental Compliance	0.0	\$0	\$0	\$0	\$	\$0
	Total by Category(FWS)	3.3	\$368,302	\$417,371	\$0	\$97,042	\$882,715
	Total by Category(USBR)	3.4	\$420,000	\$330,000			\$750,000
	Overall Total		\$788,302	\$747,371	0	\$97,042	\$1,632,715

VII. Future Years Commitments/Actions.

The dedication and management of 800,000 acre-feet of (b)(2) water for fish, wildlife and habitat restoration is coordinated annually with CALFED's EWA. The monitoring and evaluations are multi-year efforts to facilitate the adaptive management of (b)(2) water and determine whether the (b)(2) is being managed effectively and contributing toward anadromous fish restoration, recovery of listed fish species, habitat improvement, and ecosystem restoration. Future actions may include:

- Conduct environmental compliance activities as needed.
- Monitor and evaluate (b)(2) implementation strategy and conformance criteria.
- Update (b)(2) implementation strategy every 3 to 5 years.
- Develop long term New Melones Operation Guidelines for the Stanislaus River.
- Modify the Coordinated Operations Agreement with the SWP.
- Complete development of an updated Operations Criteria and Plan (OCAP) for CVP operations.
- Participate in (b)(2) litigation activities.
- Continue to implement, monitor and evaluate the effectiveness of environmental measures.
- Coordinate implementation with CALFED Bay-Delta restoration efforts and the Environmental Water Account (EWA).
- Develop a plan to manage all water available for fish and wildlife purposes to include water from dedicated project yield.