

SAN JOAQUIN RIVER RESTORATION PROGRAM

RESTORATION ADMINISTRATOR

2014 ANNUAL REPORT

1 Introduction & Context

This Annual Report is prepared in accordance with the Stipulation of Settlement filed September 13, 2006 in the case of NRDC, et al., v. Kirk Rodgers, et al. Pursuant to the Stipulation of Settlement (Settlement), the annual report shall include a summary of settlement implementation activities of the previous year, findings of research and data collection, any additional recommended measures to achieve the Restoration Goal, a summary of progress and impediments in meeting targets established pursuant to Paragraph 11, and a summary of expenditures from the Restoration Administrator (RA) Account.

2 Overview of 2014

The winter and spring of 2013-2014 were among of the driest in California history. Although late winter and early spring storms across much of California reduced the severity of the drought to some small degree, water supplies were very low. The January 2014 Restoration Allocation provided by Reclamation designated 2014 as a “Critical-Low” Restoration Year type, which provides no Restoration Flows. In April, the Restoration Allocation provided by Reclamation was updated to “Critical-High”, which included a Restoration Flow volume of 70,919 AF. However, the Allocation also identified the need to release water from the San Joaquin River to meet the senior water rights requirements of the Exchange Contractors. The Exchange Contractor “call” on the San Joaquin River was the first since the execution of the Exchange Contract and construction of Friant Dam. Additionally, in 2014 the Friant Division water contractors received a water supply allocation of zero from Millerton Reservoir, also a first since the construction of Friant Dam.

The drought-related challenges placed a huge demand on the time and attention of Reclamation, both the short staffed Program and front office management. Dealing with drought and water supply issues diverted attention for several months from implementation of some aspects of the Settlement. Uncertainty surrounding flows and temperatures dictated the last-minute revamping or cancellation of some studies, and almost caused the cancellation of the initial release of spring run juveniles into the system. While the drought situation did present certain opportunities (such as development of a sale structure for Unreleased Restoration Flows, see subsequent section), overall program progress slowed noticeably for several months.

3 Findings of Research and Data Collection

In the past few years, the San Joaquin River Restoration Program (SJRRP or Program) Implementing Agencies typically performed 40 to 60 technical studies per year, with many of those studies being multi-year, multi-disciplinary or multi-agency efforts. In the past, the SJRRP has compiled Mid-Year and/or Annual Technical Reports to document and present the results of technical studies; the reports are posted to the SJRRP web site (at <http://restoresjr.net/flows/index.html>). Additionally, the 2014 Monitoring and Analysis Plan (2014 MAP) included a section that compiled a 'Conceptual Population Model' for the San Joaquin River, plus more detailed analysis by themes (Rearing habitat, Spawning and Incubation, etc.) of the current State of Knowledge. This MAP summary is posted at (http://restoresjr.net/flows/MAP/2014_MAP/2013.1104_MAP.pdf).

The Program published less in the way of reports and data in 2014 than in many prior years, since to a large extent impacts from the drought (see Section 4.5, below) impacted several of the planned studies for 2014.

4 Assessment of SJRRP Progress During 2014

4.1 Specific Milestones and Accomplishments during 2014

The Program is moving forward on a wide array of projects and activities concurrently. The SJRRP web site (<http://www.restoresjr.net/>) provides a snapshot of the work in progress and products of the Program. Some of the key Program milestones and accomplishments include:

- Based on the Fiscal Year (FY) 2014 Work Plan, funding for 'Program Support Activities' (including programmatic documents, programmatic public outreach, Reclamation data management and Reclamation support funding to various Implementing Agencies) totaled over \$13M in FY 2014, which suggests on the order of 65+ Full Time Equivalent (FTE) employees of Implementing Agencies or consultants working on Program Support activities, with numerous additional staff on a per-project basis. It is likely that 200 to 300 professionals and support staff are directly engaged in project work activities at any given time.
- January 1, 2014 marked the transition of San Joaquin River flow releases from Interim to Restoration Flows. However, hydrologic conditions in 2014 were some of the drier conditions of record, and the flow release picture was further clouded by the first ever "call" for deliveries of water from the San Joaquin River to the Exchange Contractors. As noted above, the drought-related challenges placed a huge demand on the time and attention of Reclamation, the Settling Parties and water contractors, and the RA, and certainly diverted attention from implementation of some aspects of the Settlement.
- Flow Schedule Recommendations were submitted by the RA on January 31 and May 1, 2014. Although no Restoration Flows were actually available to be release to the river (see Overview of 2014, above), this was the first year of non-Interim flows for the San Joaquin River.

- Although there were no Restoration Flows in 2014, as a result of the releases to meet Exchange Contract requirements the San Joaquin River saw flows of 1000 cfs or more through reaches 1 and 2 from mid-May through September.
- The Program achieved an initial release of juvenile spring-run Chinook salmon into Reach 5 of the San Joaquin River. Some of the San Joaquin fish were recovered in the Delta, verifying the success of at least some fish in moving downstream from the release points. This release represents a substantial milestone for the Program and a large step forward in meeting Settlement Paragraph 14 requirements. Although spring-run Chinook will require a high degree of human intervention for survival for the next few years (continued reliance on trap-and-haul techniques), completion of a connected river within the next few years will allow progressively more natural migration. The initial release of spring-run juveniles in 2014, supplemented by additional releases in 2015 and beyond, are the first steps in rebuilding the in-river populations for the San Joaquin River.
- The Program undertook trap-and-haul of juvenile fall-run Chinook salmon during the spring fall of 2014 with mixed success, with trapping in Reach 1 and release in Reach 5. Several different trapping locations and methodologies were tested, and subsequent juvenile collection efforts for 2015 are expected to have improved results.
- The Program undertook trap-and-haul of adult fall-run Chinook salmon during the fall of 2014, and translocated more than 500 fall run adults into Reach 1 of the San Joaquin River.
- A 2014 Channel Capacity Report was published by the Channel Capacity Advisory Group (CCAG) to determine and update estimates of then-existing channel capacities in the Restoration Area, to ensure Restoration Flows would be kept below levels that would increase flood risk.
- The Program promulgated a Draft Updated Framework for Implementation document, which included updated cost, schedule, and funding assumptions. Multiple internal and external stakeholder meetings were held to solicit input and comments on the Updated Framework, with a target of a completed Updated Framework in spring of 2015.
- The Program completed and published the Fiscal Year 2014 Annual Work Plan.
- The Program implemented a financial assistance agreement with the Central California Irrigation District to construct up to \$6.26 million worth of seepage protection projects within the next five years.
- CDFW completed and adopted the Final Environmental Impact Report for the Salmon Conservation and Research Facility.
- CDFW issued a consistency determination, wherein CDFW determined that the regulations published by the Secretary of Commerce designating a nonessential experimental population of Central Valley spring-run Chinook salmon are consistent with the requirements of California Fish and Game Code section 2080.4(b); thus, no further authorization is necessary

under Chapter 1.5 of the Fish and Game Code for incidental take of the experimental population.

- NMFS completed and release the 2014 Technical Memorandum that outlined the spring-run Chinook salmon release and monitoring plans, plus methodology for identification of spring-run outside of the San Joaquin River.
- The Program undertook the sale of Unreleased Restoration Flows (URF's) in 2014. This sale was a good pilot effort, and allowed the Program to work through various pricing and contracting issues.
- As of the date of this Annual Report, the Program has obtained 6 of 8 flowage easements needed for increased flow below Sack Dam.
- As of the date of this Annual Report, the Program has completed the first two seepage projects needed for increased flow below Sack Dam.

4.2 Progress toward Achieving Paragraph 11 Requirements During 2014

Paragraph 11 of the Settlement identifies required channel and structural improvements that must be developed and implemented to fulfill the Settlement. Sub-paragraph 11(a) identifies the highest priority (Phase 1) improvements, and sub-paragraph 11(b) identifies Phase 2 improvements, which are also high priority improvements, but whose implementation is not to delay completion of Phase 1 improvements. It was anticipated that the Paragraph 11(a) improvements could be developed and implemented in accordance with the milestone dates included in Exhibit C of the Settlement.

Paragraph 11(a) identifies ten separate projects/actions (in subsections 11(a) (1) through 11(a)(10)) that were to be completed by December 31, 2013, subject to Paragraphs 21(c), 24 36, and other provisions of the Settlement. By December 31, 2014, none of the ten projects/actions set forth in Paragraph 11(a) were completed.

Many planning, permitting, design and stakeholder outreach tasks required for implementation of the Paragraph 11(a) projects have been completed, as documented herein, in previous Annual Reports, and on the SJRRP web site. The Updated Framework for Implementation mentioned above does include a schedule for when the Paragraph 11(a) projects will be completed, given the current status of work, anticipated funding levels in future years, and known challenges to implementation. The Updated Framework is still a draft document at of this writing.

The Update to the Framework for Implementation is intended to provide a common vision for implementation of key Program construction elements. The Framework will include a comprehensive rolled-up schedule and budget for key Program projects, and is anticipated to be the basis for prioritization of effort to complete the projects in an efficient manner.

4.3 Progress toward Achieving Paragraph 13 Requirements During 2014

Paragraph 13 and Exhibit B of the Settlement outline Restoration Flow requirements, and Restoration Flows commenced on January 1, 2014. Unfortunately, severe drought conditions, release of flows down the San Joaquin River to meet Exchange Contract demands, and a zero water allocation for the Friant contractors severely impacted the ability to release Restoration Flows. However, those conditions should be transitory and are not anticipated to impact the ability to release Restoration Flows in accordance with the Settlement in subsequent years.

4.4 Progress toward Achieving Paragraph 14 Requirements During 2014

Settlement Paragraph 14 and the enabling legislation require completion of several actions by the National Marine Fisheries Service (NMFS) and the U.S. Fish and Wildlife Service relating to reintroduction of fall-run and spring-run Chinook salmon.

The Program has completed several tasks and activities that are necessary to effect a long-term reintroduction (including progress towards construction of a conservation hatchery and designation of a nonessential experimental population under section 10(j) of the Endangered Species Act). However, the success of the long-term reintroduction hinges to a large degree on the successful completion of the physical channel modifications pursuant to Paragraph 11 of the Settlement (as described above). As originally envisioned in the Settlement, initial runs of spring- and fall-run Chinook would be established while Interim and Restoration Flow releases increased as improvements to channel and other infrastructure were completed; the Restoration Goal is based on the premise of achieving volitional fish movement in a flowing river.

Pending completion of the Paragraph 11 modifications, the Program is undertaking bridge measures to continue the process of reintroduction, build fish stocks and to continue to glean valuable monitoring data to further inform future adaptive management actions. Specifically, in 2014 the Program:

- The Program continued to develop broodstock at the interim Salmon Conservation and Research Facility, utilizing selected foundation stock from the Feather River Fish Hatchery. An initial cohort of fish matured at the interim facility will be ready for release in 2016.
- In 2014, the Program selected, transported and released 54,000 young-of-the-year spring-run Chinook from the Feather River Hatchery to the San Joaquin River. This initial release of spring run to the San Joaquin capped several years of study, permit and preparatory work. All of the released fish were marked, and recapture of a few juveniles well downstream from the release point indicates that at least some of the fish successfully emigrated from the San Joaquin. Depending on downstream and ocean conditions, it is estimated that 50 to several hundred spring run could return to the San Joaquin in three years' time.
- Continued to evaluate a temporary (a few years) trap-and-haul program to move adult and juvenile salmonids up and down the river until sufficient river connectivity is established to allow consistent volitional movement. The trap-and-haul initiative was undertaken in 2014

with mixed success: although the adult trap-and-haul effort had good success (moving over 500 adult fall-run fish with very low mortality), the juvenile trap-and-haul effort was confounded by drought year flows and relatively low capture efficiencies. The juvenile initiative will be revisited in spring of 2015, with revised trap locations and techniques in order to refine and test improved techniques.

4.5 Overall Program Challenges

The Restoration and Water Management Goals as laid out in the Settlement represent one of the most ambitious comprehensive restoration projects in California history, the ultimate success of which will be best judged some years in the future. This Program has encountered and overcome to various degrees a series of challenges in implementation, most of which have been documented through time in previous RA Annual Reports; the overall program challenges identified in the 2013 Annual Report are summarized briefly here, along with progress towards relieving the challenges.

Schedule

At this juncture, few of the original major schedule goals set in the Settlement have been met; going forward, many of the major river improvements may take two to three times as long to accomplish, under nominal or even best-case scenarios, than was originally envisioned in the Settlement. Some of the schedule impediments have been outside of the anticipation or control of the Program.

Progress – the Program is in the process of revising its Framework for Implementation, which includes updated funding and revenue assumptions, as well as an updated schedule based on the most recent information with regard to project status. The schedule in the final Framework should be designed so that the Program will be able to adhere to the updated schedule. Additionally, the Program is addressing some of its staffing challenges (see below), which should also help to resolve schedule challenges.

Scope and Vision

The overall size and complexity of Program, coupled with an operating structure that is spread over five Implementing Agencies present substantial challenges to efficient implementation, particularly with respect to consistency of vision, creativity and support for the Program. Additionally, the non-Federal Settling Parties or other third parties that are impacted by the Program have distinctly different interpretations of the Settlement. Effectively managing Program funds and resources across multiple Implementing Agencies, with what is essentially a voluntary management and accountability structure among some of the Implementing Agencies, has been and will remain a challenge.

Progress – the Program is in the process of revising its Framework for Implementation, which includes an updated schedule and set of priorities based on the most recent information with regard to project status. It is anticipated that the updated Framework will allow a more consistent Vision for the Program, and hopefully more consistent communication and efforts across the Implementing Agencies in executing the Program.

Design Challenges

The Program has encountered numerous real-world design challenges during implementation, including:

- Channel capacity limitations for existing flow pathways, levees and channels were found to be a major impediment to the release of Restoration Flows.
- The extent of seepage concerns was not foreseen in the Settlement, and seepage improvements will have consequences for the overall project schedule and budget.
- Flowage easements are required to allow Restoration Flows to flow through the Eastside and Mariposa bypasses.
- Subsidence is a tremendous concern both within and outside of the SJRRP project area; although the subsidence issues are not a result of the SJRRP, subsidence vastly complicates the design and planning for necessary SJRRP projects.

Progress - The Program is actively pursuing investigations to better understand channel capacity limitations and the development of site-specific remedies for seepage and flowage constraints (including purchase of easements and construction of seepage projects). Seepage issues are being addressed in accordance with the Program's updated Seepage Management Plan (September 2014); additional staff resources to more promptly pursue seepage projects are recommended for 2015 (see below).

Subsidence is being actively monitored by several entities (Reclamation, DWR, USGS, and others); however this is a long-term, regional issue that will ultimately require a solution across numerous jurisdictional lines.

The Program continues to dedicate a considerable effort to stakeholder outreach, engagement, and involvement; those initiatives are showing progress in reaching agreement on solutions for specific project elements.

Funding Challenges

Potential funding shortfalls in future years of the Program continues to loom as a concern. The Program has not been stymied by a lack or shortage of funds to date, so any concern over funding shortfalls pertain to future authorizations from state and federal sources. However, schedule slippage results in projects constructed further into the future, typically with higher associated costs (from inflation if no other cause).

Progress – the Program is in the process of revising its Framework for Implementation, which includes an updated schedule and assessment of funding requirements. The updated Framework will facilitate better prioritization if funding becomes limiting, and will support early understanding of both State and Federal funding issues for the Program.

Decision Process Challenges

Several factors contribute to a challenging and thus usually slow decision process with and around the Program; interest from, and scrutiny by, elected officials, news media, and stakeholder groups leads to a careful, thorough and deliberative decision process by Implementing Agencies and Settling Parties even on relatively minor issues.

Progress – The decision process for Program activities continues to be careful, thorough and deliberative; it also continues to be slow. Although some initiatives such as the revised Framework for Implementation may streamline prioritization and project sequencing, it is anticipated that the Program’s decision process will not speed up substantially.

Time Challenges

Faced with a lack of demonstrable, tangible, physical success (as measured by the completion of construction projects, implementation of year round flows in the River, a reintroduction of salmon that does not rely on human transportation, and the opportunity for various aquatic species to make use of those flows), time continues to be of utmost concern for the Program. It is vital for the success of the Program to re-instill a sense of absolute urgency for progress across all Implementing Agencies and Settling Parties. To this end, I believe that rapid completion of key components of the Program outweigh any benefits of additional delay in the name of precision or perfection.

Progress - There is relatively little progress on this front. Those involved in implementation of and impacted by the Program will need to develop a willingness and ability to compromise on key issues, be flexible in implementation decisions, and filter decisions through a lens of need for rapid progress. The combative history of the Settlement, diversity of Implementing Agencies, and differing perspectives of all of the Settling Parties and third parties on numerous issues continue to be a challenge to swifter implementation of the Program.

In addition to the challenges identified in previous years, three additional key challenges were identified in 2014:

Drought

It is difficult to overstate the impact of the severely dry 2014 water year on the Restoration Program. Although the Allocation for Restoration Flows was a Critical High year type (which would result in some Restoration Flow volume for release), Reclamation was instead obligated to make substantial water releases from Friant Dam/Millerton Reservoir to meet the obligations of the Exchange Contract. The releases to meet the Exchange Contract was the first instance of such releases in the nearly 70 year history of Friant Dam. In total, Reclamation, the Implementing Agencies, the non-federal Settling Parties, and the RA spent literally hundreds of hours working through the details of drought contingency planning. Beyond the shortage of water for Restoration Flow releases, a number of technical study initiatives scheduled for spring and summer of 2014 needed to be canceled or reimagined on short notice because of the dry conditions. Overall, the drought conditions had a tremendously disruptive impact on the entire San Joaquin Restoration Program for much of 2014.

Hopefully the drought conditions will not persist into 2015; although at the time of drafting of this report there is a high degree of concern that 2015 may indeed be nearly as dry as 2014.

Staffing Challenges

The Program is constantly impacted by staff turnover, as personnel move through their respective career trajectories which may or may not include long-term commitment to working on the Program. In 2014, Reclamation in particular lost several key staff, and fell well below target staffing levels (at one point, a deficit of 14 personnel). Staffing shortages exacerbated all of the challenges identified above.

Progress - Reclamation has undertaken an effort to backfill staffing shortages, and has completed several key hires and transfers in just the past few months. Continued focus on rebuilding staff levels, and a commitment to promptly backfill vacated positions, can completely address this particular challenge.

Responding to the Demands of Stakeholders

Reclamation staff spends tremendous time and resources interacting with stakeholders, across almost all facets of the Program. The Restoration Program is essentially a public program (implemented by state and federal agencies), that will impact thousands of square miles, hundreds of thousands of people, and will have substantial economic implications for effected stakeholders. It is not clear that the original Settlement agreement envisioned the level of resources that would be necessary to fully integrate a wide diversity of stakeholders into almost every single Program decision. Examples of substantial stakeholder interaction include:

1. The Program is specifically required to consult with the non-federal Settling Parties and the RA on several aspects of the Program.
2. The Third Parties as identified in the federal legislation implementing the Program require extensive interaction.
3. Landowners, water users, and local agencies and entities in the 150 river miles of the Restoration Program impact area require extensive interaction.
4. Open stakeholder processes (NEPA and CEQA processes and other permitting actions) are intended to collect input from a variety of stakeholders.
5. Other state and federal initiatives (example: flood control planning) require extensive coordination with the Program.
6. Other economic and geologic phenomenon (example: subsidence) require extensive coordination to ensure the Program can be successfully completed despite potential challenges presented by these phenomenon.
7. Finally, general public interest in the Program from people near and far around California requires a concerted public outreach effort.

It is not clear that the original Settlement Agreement, nor early year Program scheduling and budgeting efforts grasped the true extent of stakeholder involvement, and the extensive resources that would need to be dedicated to that stakeholder involvement as the project transitioned from early planning phases to implementation phases. It is possible that stakeholder scrutiny, and required stakeholder interaction, could continue to increase as the Program enters into large-scale construction projects.

Progress - The Program continues to explore new ways to engage stakeholders in a more efficient manner; however, it is anticipated that potentially increasing stakeholder engagement requirements, and

the fact that the Program is necessarily in a reactive (rather than proactive) mode with regards to stakeholders, meaning that there is no straightforward solution to this particular challenge.

5 Recommendations (for Addressing Impediments)

5.1 2013 Recommendations and Program Commitments

This section recaps the 2013 recommendations for addressing impediments, and the Program's commitments to respond to those recommendations.

1. Need a Framework for consistent vision. The Program needs to develop a Framework for Implementation (Framework) that continues to be consistent with the Settlement and Act but includes an implementable schedule based on reasonable funding assumptions, includes an incisive focus on priority projects (or project complements), and reflects the degree of urgency to complete specific elements of the overall Program.

Program Response: Agree, and update to the Framework for Implementation is underway. Framework meetings are ongoing, and a finalized Framework should be available within a few months.

2. Specific Scheduling Assignment within Implementing Agencies. Develop and maintain a master schedule for the Program, with each of the Implementing Agencies taking possession of maintenance of that portion of the master schedule over which they have control, and updates no less frequently than quarterly.

Program Response: Agree, and will seek to implement in 2015. This is not yet underway.

3. Strategic plan to address levee stability issues. A comprehensive strategic and tactical plan is needed to apportion benefits (and ultimately cost responsibility) among Program and flood protection interests.

Program Response: Agree, and will seek to implement in 2015. This is underway through a series of meetings hosted by the Central Valley Flood Protection Board.

4. Strategic plan to address subsidence issues. The Program needs to develop a strategic plan that will allow implementation of Program projects within a reasonable time frame, but will also protect those Program investments into the future.

Program Response: Reclamation and DWR are working to prepare a technical design memorandum that addresses subsidence, which should be completed in spring 2015.

5. Flexible project design. A more logical approach would be stepwise, with basic designs that do not preclude flexibility to adjust habitat conditions as the future observations might dictate, and do not attempt to lock in final outcomes.

Program Response: Agree that flexibility in the project design approach is prudent, and will work with RA to implement this recommendation over time.

6. Adapt to current conditions in order to implement the Settlement. To adaptively manage the implementation process, three things need to occur:
 - a. All of the Settling Parties and Implementing Agencies need to embrace the time imperative, cost containment and priority focus objectives that should be forthcoming in the Framework;
 - b. Settling Parties need to embrace a more robust collaborative partnership, improve relations and trust, be able to resolve effectively and efficiently major issues and relinquish discussions over minutia.
 - c. Implementing Agencies need to filter their activities and prescriptions through a lens of urgency and cost containment, and be prepared to find creative work-around strategies, or even policy exceptions, in the interest of rapid and efficient forward progress.

Program Response: Agree that the Implementing Agencies need to embrace the time imperative, cost containment and priority focus objectives from the Framework. Additionally, the Program is willing to entertain creative work-around strategies and/or policy exceptions although those solutions may not be faster, and may be limited by Implementing Agency policies.

5.2 2014 Recommendations

1. **Bring Program staffing levels up to sufficient.** As mentioned previously, Reclamation's Program staffing levels fell to as many years 14 people short of target. Additionally, other Implementing Agency program staff levels were deficient as well (for example, USFWS Fisheries Manager position). Not surprisingly, staff shortages led to an overall slowdown in Program implementation. While the Program has taken several steps to remedy these shortages, and has added at least five staff since the beginning of the year, it is necessary to complete the staffing backfill process within the next few months. In addition, the following specific staffing suggestions should be considered:
 - Assignment of a construction specialist or construction manager from the MP Region Construction Office. As the Program approaches implementing major construction projects, the dedicated expertise in construction will support final design that comports with Program and local stakeholder requirements, and support scheduling and construction budgeting tracking.

- Add a dedicated Land specialist, or assign a dedicated lands specialist from Reclamation’s lands department. This position could support many of the Program’s projects, including land and easement acquisition for Paragraph 11 projects, and more consistent progress on seepage projects.

2. **Reconsider the Program organization.** The current organizational structure of the Program, including roles and assignments for key staff, has largely grown out of the focus of the Program on research and planning. As the Program changes focus towards implementation and construction, the roles of key staff could shift, and new or revised staff roles could be necessary. For example, it is likely that the staff position focused on construction activities (possibly assigned from MP Region Construction Office) would be extremely valuable for the preparation of construction schedules, construction documents, facilitating the contracting process, and providing the link between construction projects in the Implementing Agencies.

Reconsideration of the Program organization should have three objectives:

- Integrate new staff into the Program in an efficient manner. As Program staffing levels return to more appropriate numbers, new staff must be educated into the nuances and details of the Program, while also leveraging the specific skill sets of new staff.
- Provide an organization structure that allows for more efficient and consistent delegation from senior-level staff downwards. At this juncture, the SJRRP Program Manager is heavily involved with numerous activities, even down to a fairly detailed level. While the Program Manager has a unique skill set and unparalleled experience with the Program, delegation to capable staff is an absolute imperative to ensure that the Program Manager does not become a bottleneck. Additionally, the logistics of the Program pose an additional challenge for senior staff in terms of ensuring continuity of work and availability for decisions for the Program. For example, if the Program Manager personally undertakes meetings or negotiations with landowners in the Program project area, that usually entails a full day on the road and generally out of communication with the remainder of the Program staff and other agencies.
- Consider ways to better integrate staff between Implementing Agencies. As has been noted elsewhere, the five Implementing Agencies have widely different statutory authorities, institutional cultures, and bureaucratic structures. Any reconsideration of the Program organization chart should take into account the Program – related organization charts of Reclamation, USFWS, and the other Implementing Agencies to make sure there is appropriate alignment, communication pathways, and ability for assignment sharing and delegation between Implementing Agency staff.

3. **The Program needs a comprehensive Program schedule completed in a timely fashion.** This recommendation is repeated from 2013, because it is considered a crucial component to understand the overall management and implementation of the Program. Since this

recommendation was made more than a year ago, there has been scant progress on a comprehensive Program schedule, although updated schedules for a couple of project elements have been completed. It is difficult to imagine how the Program can be successful in meeting future milestone target dates without a comprehensive Program schedule to help focus and prioritize the efforts of the Implementing Agencies.

4. **The Program would benefit from operational budget tracking.** At this time, the Program tracks budget and expenditures on an annual cycle with no intermediate tracking of expenditures against budget. The Implementing Agencies should be able to document budget requests and allocations down to the project or personnel level; tracking of expenditures against budget should be able to be accomplished at a time step finer than one year. Improved tracking of expenditures against budget will provide an additional management tool for the Implementing Agencies. This has been discussed as part of the Updated Framework, but has not yet been implemented.
5. **Implement a quarterly tracking process.** The Implementing Agencies (and potentially other key stakeholders such as RA or non-federal Settling Parties) should meet to review the comprehensive schedule and operational budget tracking on a quarterly basis. The Program schedule and budget would be updated prior to these quarterly meetings, and any issues identified (funding shortfalls, schedule bottlenecks, critical path items, other challenges and opportunities) would be discussed and resolved on a quarterly basis. Additionally, the Implementing Agencies should consider annual goals and objectives, and would share with the other Implementing Agencies progress towards those goals and objectives on a quarterly basis. This has been discussed as part of the Updated Framework, but has not yet been implemented.
6. **Need a Framework completed to serve as a guiding strategic document for implementation.** The Framework update process has been ongoing since approximately November 2013 (15 months and counting). This process needs to be brought to a definitive conclusion in the near-term, so that the benefits of the process can be realized in Program planning and budgeting.
7. **Re-purpose the Annual Work Plan.** While the updated Framework is a useful multi-year strategic guidance document, the annual work plans can be reimagined to serve as near-term tactical implementation guidance. The Framework identifies long-term priorities, schedule, and budget for the Program. If the Framework is the 'strategic' and long term overview of Program implementation, the Work Plan can be an annual tactical update, with the detailed schedule and budget tracking on a quarterly basis serving as operational guidance and tracking tools. Currently, the Work Plan as it is structured it does not identify critical path work. There would be no way to gauge, for example, whether a shortfall in anticipated budget should trigger a shift of resources to complete the most crucial activities, since the most crucial activities are not identified as such.

The document needs participation by, and agreement of, all of the implementing agencies. In particular, the State implementing agencies who have an independent budget need to provide a similar level of detail in description to the rest of the Work Plan. Additionally,

consider ranking or prioritizing the activities in the Work Plan, perhaps in 3 to 5 'bins' of importance, so it is clear as to what activities are highest priority and/or key critical path activities. Finally, the document should include backwards reference to the previous year's fiscal Work Plan, such as what was accomplished on schedule, what was delayed or deferred, expenditures versus budget, etc.

8. **Revisit approaches for Stakeholder involvement and decision input.** As described above, stakeholder involvement in decision input demands a huge commitment of time and resources from the Program. The Program is a public process; however, the Program needs to evaluate opportunities for more efficient and streamlined stakeholder involvement. The Program may need to consider options for truncating stakeholder involvement when that involvement ceases to provide positive or beneficial input to the Program, or the Program may need to consider limiting stakeholder input into Program decisions outside of specific formal opportunities for comment (e.g. NEPA processes).

6 Priority Tasks for 2015

The following are the primary tasks for the RA, supported by the TAC, for 2015.

1. Provide flow prescriptions in a timely fashion, in consultation with Implementing Agencies and water interests, pursuant to the and in conformance with the Settlement.
2. Support completion of a Framework to provide strategic direction for Program actions and activities.
3. Support implementation of organizational, scheduling, budgeting and other administrative improvements for the Program
4. Continue to provide timely comments on key Program documents, such as the Reach 2B environmental documents.

7 Specific RA and TAC Activities Completed During 2014

7.1 RA and TAC Activities and Work Products

The RA and TAC completed a variety of tasks during 2014 to support and contribute to SJRRP Implementing Agency efforts.

- The RA provided Restoration Flow Recommendations for 2014 on January 31, 2014, with an update on May 1 of 2014.
- RA transmittal of the RA 2013 Annual Report to the Settling Parties on March 22, 2014;
- The RA and the TAC were involved in numerous meetings and discussions regarding planning and operational decisions during the extreme drought of 2014. Discussions, suggestions, and work was completed in the following areas:
 - Potential flow release scenarios for drought conditions;
 - Potential modifications to studies in response to drought conditions;
 - Potential creation of Unreleased Restoration Flows (URF's);
 - Disposition of URF's;
 - Input on policy issues surrounding drought operations;
 - Input on fisheries actions and fisheries management decisions related to drought operations;
 - Monitoring of releases to meet obligations to the Exchange Contractors;
 - Input on fisheries monitoring activities in response to drought operations.

Meetings Held or Attended by the RA and/or TAC and TAC Meetings Convened by the RA

The RA convened several TAC meetings throughout 2014:

- January 10, 2014;
- March 5, 2014;
- May 14, 2014;
- July 16, 2014
- Sept 17, 2014
- Nov 19, 2014

Weekly TAC Convened by the RA and Including Agency Staff as Available

Weekly coordination calls involving TAC members and agency staff were convened to address restoration issues, updates on meetings recently attended by TAC members, reports from agency staff on activities and questions where TAC input was desired. These meetings (conference calls) were useful in improving coordination among TAC members and between the TAC and agency staff, and occurred most weeks throughout 2014.

RA Weekly Telephone Conferences with Alicia Forsythe (SJRRP Program Manager)

The RA met via telephone on Monday mornings for between 30 minutes and one hour with Alicia Forsythe (SJRRP Program Manager) throughout the year to discuss upcoming events, program schedule, emerging issues, coordination of efforts and other matters.

RA and TAC Member Participation in Regular Water Quality, Monitoring and Flow Scheduling Conference Calls

The SJRRP initiated regular conference calls involving the Implementing Agencies, Settling Parties and RA/TAC to address water quality, flow monitoring and flow scheduling issues. These meetings contributed to improving communication between the various SJRRP participants on a range of flow scheduling and monitoring needs and activities.

RA Participation in Bi-Monthly Specific Project Team Meetings

Either the RA or designated TAC representative(s) attended bi-monthly Reach 2B and Reach 4B Team meetings either in person or by phone to stay current on progress and issues relating to these major program construction projects.

RA Participation in Monthly Settling Party Consultation Meetings

The RAs attended Settling Party Consultation Meetings convened through 2014. These meetings included the Program Manager and representatives of the Settling Parties and Implementing Agencies. These meetings focused on significant policy issues that needed the attention of SJRRP participants.

SJRRP Technical Work Group Meetings Attended by the RA

In 2014 the RA and/or members of the TAC participated in numerous technical work group and technical feedback meetings:

- The Fish Management Technical Work Group (weekly throughout 2014)
- the Seepage Management Technical Work Group (monthly throughout 2014)
- the Restoration Goal Technical Feedback Work Group (quarterly throughout 2014)
- Water Management Goal Technical Feedback meeting (approximately quarterly throughout 2014)

In an effort to broaden the RA's understanding of the interests groups/organizations and their priorities and concerns, the RA participated in meetings convened either by the following groups or initiated by the RA:

- Monthly Board Meetings convened by the SJR Resource Management Coalition (as available)
- Reach 2B Stakeholder meetings
- FWA Joint Advisory & Policy and Legislative Committee meetings (monthly as available)

8 2014 RA and TAC Expenditures

The following summary of expenditures was provided by National Fish and Wildlife Foundation (NFWF), the administrator of the grant that funds operations of the RA and TAC.

Attachment: RA – TAC Expenditures 2014

<i>RA and TAC Invoices</i>		
Organization	#	TOTALS
Tom Johnson, Restoration Administrator	43302	\$137,988.20
Friant Water Authority/ Bill Luce Consulting	43275	\$14,893.84
Hanson Environmental Inc.	42899	\$19,354.68
McBain Associates	43274	\$27,815.50
NewFields Companies, LLC	42922	\$16,955.36
NRDC	43276	\$15,253.76
Trout Unlimited, Inc.	43374	\$17,498.12
NFWF (Contract Administrator)	NA	\$36,000.00
<i>Task Order Invoices</i>		
Organization	#	TOTALS
Friant Water Authority	43275	\$1,788.00
McBain Associates	43274	\$2,000.00
NewFields Companies, LLC	42922	\$11,660.05
Total Expenditures		\$301,207.51
<i>TAC and RA Hours</i>		
Organization	#	TOTALS
Tom Johnson	43302	848.50
Friant Water Authority/ Bill Luce Consulting	43275	95.40
Hanson Environmental Inc.	42899	122.00
McBain Associates	43274	192.50
NewFields Companies, LLC	42922	108.00
NRDC	43276	113.50
Trout Unlimited, Inc.	43374	142.50
<i>Task Order Hours</i>		
Organization	#	TOTALS
Friant Water Authority	43275	12.00
McBain Associates	43274	16.00
NewFields Companies, LLC	42922	74.00
Total Hours (Contract and Task Order):		1,724.40