

**AGENDA
PART II
ASSEMBLY BUDGET SUBCOMMITTEE NO. 3
NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION**

Assemblymember Fran Pavley, Chair

**THURSDAY, MAY 18TH, 2006
STATE CAPITOL, ROOM 126
UPON ADJOURNMENT OF SESSION**

Hearing Items

<u>ITEM</u>	<u>DESCRIPTION</u>	<u>PAGE</u>
	CONSENT CALENDAR	2
3860	DEPARTMENT OF WATER RESOURCES	
ISSUE 1	MAY REVISE: FLOOD CONTROL	3
	CALFED PROGRAM	4
0540	Resources Secretary	
3870	Bay Delta Authority	
3600	Department of Fish and Game	
3860	Department of Water Resources	
3940	State Water Resources Control Board	
3480	Department of Conservation	
3540	Department of Forestry and Fire Protection	
3820	San Francisco Bay Conservation and development Commission	
	APPENDIX 1	13
	PUBLIC COMMENT	

Consent Calendar

Org	Department	Proposal
3600	Department of Fish and Game	May Revise: Transfer of Ecosystem Restoration Program to Fish and Game
3860	Department of Water Resources	Jan. 10 Proposal: Capital Outlay: Upper Sacramento River Area Levee Restoration Project
3860	Department of Water Resources	Jan. 10 Proposal: Capital Outlay: Sacramento River Bank Protection Project
3860	Department of Water Resources	Jan. 10 Proposal: Capital Outlay: Folsom Dam Modifications Project
3860	Department of Water Resources	Jan. 10 Proposal: Capital Outlay: American River Watershed, Folsom Dam Raise Project, Bridge Element
3860	Department of Water Resources	Jan. 10 Proposal: Capital Outlay: American River Flood Control Project - Natomas Features
3860	Department of Water Resources	Jan. 10 Proposal: Capital Outlay: American River Commons
3860	Department of Water Resources	Jan. 10 Proposal: \$38.1 million (General Fund) for the Flood Management Comprehensive Strategic Plan
3860	Department of Water Resources	APRIL FINANCE LETTER: \$11.5 million transfer from the California Water fund to the California Water Resources Development Bond Fund and a \$4.1 million transfer from the California Water Fund to the General Fund to reconcile various outstanding loans from the General Fund.
3860	Department of Water Resources	April Finance Letter: Extension of Liquidation Period for Various Funds
3860	Department of Water Resources	April Finance Letter: Capital Outlay Reappropriation for Various Projects
3860	Department of Water Resources	April Finance Letter: \$1.5 million (Bond Funds) to study problems associated dissolved carbon in the water supply.
3860	Department of Water Resources	April Finance Letter: Reappropriation of Various Funds
3860	Department of Water Resources	May Revise: \$2.0 million (Proposition 13) for Groundwater Storage facility grants.
3860	Department of Water Resources	May Revise: \$2.9 million (Proposition 13) be reverted from the Yuba County Water Districts Forbestown Pipeline Project.
3860	Department of Water Resources	May Revise: Pro-rata obligation of \$14.3 million be allocated differently among the Departments special funds.
3860	Department of Water Resources	May Revise: Provisional Language to receive funds from locals and forward them to the U.S. Army Corps of Engineers to pay obligations.
3860	Department of Water Resources	Staff Issue: Reappropriation for Colusa Flood Project (See language below)*

Reappropriation. The following reappropriation language is necessary to continue funding of the Colusa Basin Watershed Flood Protection Program. Funding for this proposal was originally approved in 2000-2001 and then again provided in 2003-04.

3860-490 – Reappropriation, Department of Water Resources. The balance of the appropriation identified in the following citation is reappropriated for the purposes provided for in that appropriation and shall be available for encumbrance or expenditure until June 30, 2007:

6010 – Yuba Feather Flood Protection Subaccount

(1) Item 3860-301-6010 budget Act of 2000 (Ch. 52, Stats, 2000)

(1) Colusa Basin watershed Flood Protection program

3860 DEPARTMENT OF WATER RESOURCES

ISSUE 1: MAY REVISE: FLOOD CONTROL

1. **AB 142 (Nunez) – General Fund Appropriation.** As approved by the legislature, AB 142 appropriated \$500 million (General Fund) for expenditure in three major categories of flood control: \$150 million for 29 critical sites; \$200 million for additional critical repairs, construction of new levees, flood corridors and bypasses; and \$150 million for other flood control improvements such as sediment removal and levee and floodplain evaluations. The May revision requests 25 new positions to implement this legislation.
2. **Flood Control Subventions.** In a May Revision Letter, the administration has proposed to provide \$100 million for local flood control subventions and \$1.3 million for staffing related to processing flood control subventions. This proposal requests that funds be made available for expenditure through June 30, 2009 and that DWR be allowed to process \$10 million in claims from the Napa County Flood Control and Water Conservation district in recognition of extensive flood damage that occurred in January 2006.
3. **Support for Emergency Levee Repairs.** In a May Revision Letter, the Administration has requested that \$2.1 million (General Fund) and 3 temporary help positions to repair critical erosion sites on project levees in the Sacramento and San Joaquin River Flood Control systems.

Staff Comments. Staff does not have any issues with these proposals, and recommends approval as budgeted.

Staff Recommendation. Approve as budgeted.

CALFED

0540 SECRETARY FOR RESOURCES

3870 CALIFORNIA BAY DELTA AUTHORITY

Background. The Delta is now at a critical crossroads. In the last year, the Delta ecosystem has deteriorated into a crisis now referred to as the Pelagic Organism Decline or POD. At the same time, State Water Project exports have hit record levels. The administration's Delta Smelt Action Plan included further study of the decline, but no action to address the three categories of identified causes – water project operations, invasive species, and contaminants. The risk of substantial Delta levee failure also has emerged as a possibility. After last year's budget reductions, the Administration undertook a comprehensive program, fiscal and governance review of the CALFED Bay-Delta Program, which found serious deficiencies in the program and in its governance. Recently, the administration released a 10-Year Action Plan that proposes further study and reorganization. Considering the current state of the Delta, this next year requires the State to set a new course in determining how to resolve the challenges now facing the Delta.

Governor's Budget. The Governor's Budget proposes \$250 million (\$26 million General Fund) for the state share of the CALFED Program. This is about \$75 million less than estimated expenditures in the current year due to a reduction in resources bond funds available for appropriation. General Fund support for the program is estimated to increase by nearly \$15 million in the budget year due to increases in funding for delta levees.

Finance Letter. A Finance Letter (dated April 18, 2006) proposes to transfer 68 of the 71 existing positions from the California Bay-Delta Authority to the Office of the Secretary for Resources. The proposal contained in the letter does not recommend legislation to eliminate the California Bay-Delta Authority as an independent entity or implement the Governor's new CALFED governance recommendations.

Prior Legislative Action. The Assembly subcommittee briefly heard this issue on April 19th but deferred action on the issue due to outstanding reports. On May 8th, the Senate approved most of the Governor's proposed CALFED programmatic funding requests but rejected a proposal to transfer the Bay Delta Authority to the Resources Agency. Specifically, the Senate took the following actions:

- Approved the Governor's proposal for CALFED expenditures at the Department of Fish and Game.
- Approved CALFED expenditures and other Delta-related expenditures at the Department of Water Resources consistent with the table in Appendix I.
- Approved the Governor's proposal for CALFED expenditures at the State Water Resources Control Board.

- Approved the Governor's proposal for CALFED expenditures at the Department of Conservation.
- Approved the Governor's proposal for CALFED expenditures at the Department of Forestry and Fire Protection.
- Approved the Governor's proposal for CALFED expenditures at the San Francisco Bay Conservation and Development Commission.
- Rejected the Governor's Finance Letter proposal and instead transfer all California Bay-Delta Authority positions and contracts to the Department of Water Resources, Department of Fish and Game, Department of Health Services, and the Resources Agency. Selected vacant positions are proposed to be abolished and resultant savings directed to the Resources Agency to support the following recommendation:

(The actions listed above are summarized in Appendix I)

The Senate Subcommittee also requested staff, in consultation with the departments, LAO, and DOF, to develop trailer bill language to direct a new Deputy Secretary on Delta Resources at the Resources Agency to develop a Delta Action Plan to create a sustainable Delta. This plan should include the definition of a sustainable Delta, measurable goals and objectives, the necessary institutional structures to implement the plan, a strategic financing plan, a contingency plan and adaptive management strategies.

Department Response. Staff from both the Assembly and the Senate had several meetings with the Bay-Delta Authority to work towards a compromise transfer of positions and authority of the Bay Delta Authority to the Secretary for Resources. It was the Department's stated position that it needs to transfer all 67 positions established with the Controller to the Resources Agency to carry out the re-scoped duties of the Bay-Delta Authority. The department has indicated that it would be willing to move the administration function to another department.

Staff Comments. Staff concurs with the Senate that there has not been adequate workload justification provided to transfer 67 positions at the Resources Agency given the modified scope of work to be accomplished. Staff also finds that the department has not set forth specific actions as to how it will address the Pelagic Organism Decline. The Delta ecosystem is currently in crisis, but there is no sense of urgency in fixing the problem. Furthermore, no additional monies have been allocated to address the problem.

The recommendations on the following page, which are the result of extensive analysis on the part of the Senate, intend to provide a core staff to the Resources Agency that will be able to coordinate with CALFED boards departments and other organizations to successfully provide the long term planning, program implementation and policy coordination that the legislature has been asking of the program.

Staff Recommendation. Staff recommends that the Subcommittee concur with the Senate and take the following actions:

- Approve actions outlined in Appendix 1 starting on page 11
- Approve plan found on pages 8 – 10. The plan allocates the 67 positions in the following way:
 - 21 positions to the Resources Agency.
 - 39 positions to the Department of Fish and Game to support the ecosystem restoration program and administration of the CALFED program, including providing administrative support to the Office of the Secretary for Resources (this is currently being carried out by the Department of Forestry and Fire Protection.)
 - 6 positions to the Department of Water Resources for the levees program, watershed program, and water use efficiency.
 - 2 positions to the Department of Health Services to support the drinking water quality program.
- Reduce BDA's reimbursement authority by \$14.7 million to reflect the transfer of the ecosystem restoration program to the Department of Fish and Game.
- Approve transfer of specific contracts at the Bay-Delta Authority staff to the following departments:
 - Science to the Resources Agency.
 - Delta Action Plan to the Resources Agency.
 - Administration to the Department of Fish and Game.
 - Ecosystem Restoration Program to the Department of Fish and Game.
 - Watershed Program to Department of Water Resources.
 - Levees to Department of Water Resources.
 - Drinking Water Quality to the Department of Health Services.
- Approve trailer bill language to direct the Secretary for Resources to develop a Delta Action Plan to create a sustainable Delta. This plan should include the definition of a sustainable Delta, measurable goals and objectives, the necessary institutional structures to implement the plan, a strategic financing plan, a contingency plan and adaptive management strategies.
- Approve trailer bill language to expedite short-term science contracts related to the pelagic fish decline.
- Approve trailer bill language that does the following:
 - Directs the Secretary for Resources to develop a long-term Delta vision and action plan to create a sustainable Delta. This plan should include the definition of a sustainable Delta, measurable goals and objectives, the necessary institutional structures to implement the plan, a strategic financing plan, a contingency plan and adaptive management strategies.

- Expresses legislative intent that all public processes currently part of the CALFED Bay-Delta program will continue unless legislation is enacted to change these processes.
- Expedite short-term science contracts related to the Pelagic Organism Decline.
- Approve supplemental report language to require the Secretary for Resources, by October 1, 2006, to report on the actions it will take, other than study, in the next fiscal year to stabilize the ecosystem in the Delta and to address the Pelagic Organism Decline.
- Approve budget bill language to require the Secretary for Resources to submit the report on actions being taken to address the Pelagic Organism Decline before funds in this item may be allocated for construction or acquisition related to the South Delta Improvement Program.
- Approve budget bill language to require that the administrative positions being transferred to the Department of Fish and Game be used to support the CALFED program and to provide general administrative support to the Office of the Secretary for Resources..

Resources Agency

Deputy Secretary - Delta
Director/Deputy Sec.

Adm Asst I

Communications & Mtg Support
Asst Director Leg/Asst. Sec.(?)
Info Officer I-Spec
Assoc Govtl Prog Analyst

Delta Action Plan
C.E.A. II/Asst. Sec.(?)
Research Analyst II
Staff Services Analyst-Gen
Exec Asst

Science
Envirntl Prog Mgr II

Envirntl Prog Mgr II ¹
Prog Mgr II
Envirntl Prog Mgr I-Supvry ²

Sr Engr ³
Staff Envirntl Scientist ⁴
Research Prog Spec II ⁵
Assoc Editor-Publications
Engr, WR
Assoc Govtl Prog Analyst
Exec Secty ⁷
Administrative Officer II ⁶

Department of Fish & Game

Administration
C.E.A. IV

Exec Asst

Human Resources
Staff Services Mgr II-Supvry
Assoc Govtl Prog Analyst
Staff Services Analyst-Gen

Business Services
Business Service Officer II-Supvr
Business Service Ofcr I-Spec
Office Techn-Typing
Office Techn-Typing

Information Technology
Staff Info Systems Analyst-Supvr
Staff Programmer Analyst-Spec
Graphic Designer I
Info Systems Techn

Fiscal Services
Staff Services Mgr II-Supvry

Budget
Sr Acctg Officer-Spec

Contracts
Staff Services Analyst-Gen
Staff Services Mgr I
Assoc Govtl Prog Analyst

CalFed Budget & Program Tracking
Staff Services Mgr III
Assoc Budget Analyst
Assoc Govtl Prog Analyst
Assoc Govtl Prog Analyst
Assoc Govtl Prog Analyst
Assoc Govtl Prog Analyst

Ecosystem Program
Prog Mgr III

Prog Mgr II
Envirntl Prog Mgr I-Supvry
Recr & Wildlife Res.Advisor
(1/2)
Staff Envirntl Scientist
Staff Envirntl Scientist
Staff Envirntl Scientist
Staff Envirntl Scientist
Staff Envirntl Scientist
Staff Envirntl Scientist (1/2)
Engr
Envirntl Scientist
Assoc Govtl Prog Analyst
Exec Asst

Legal
Chief Counsel

Department of Health Services

Drinking Water Quality
Envirntl Prog Mgr I-Supvry
Sr Engr

Department of Water Resources

Levees
Supvng Engr

Watershed
Staff Envirntl Scientist
Assoc Govtl Prog Analyst

Water Use Efficiency
C.E.A. III
Assoc Govtl Prog Analyst
Exec Secty I

Appendix I

3600 DEPARTMENT OF FISH AND GAME

Staff Recommendation. Approve the following Delta-related funding for the Department of Fish and Game:

Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
Oversight and Coordination				
<i>Base Budget</i>				
- Supports positions to ensure that CALFED program is in compliance with environmental laws and regulations.	\$166	General Fund	2.0	X
Ecosystem Restoration Program				
<i>Base Budget</i>				
- Conducts restoration projects, manages ecosystem restoration grant program, issues permits, monitors restoration projects, participates in regional plan development, and guides environmental documentation.	\$4,276	Prop 50	33.8	X
- Conducts restoration projects, manages ecosystem restoration grant program, issues permits, monitors restoration projects, participates in regional plan development, and guides environmental documentation.	\$628	General Fund	5.0	X
- Conducts restoration projects, manages ecosystem restoration grant program, issues permits, monitors restoration projects, participates in regional plan development, and guides environmental documentation.	\$490	Reimbursements	4.0	X
- Conducts restoration projects, manages ecosystem restoration grant program, issues permits, monitors restoration projects, participates in regional plan development, and guides environmental documentation.	\$239	Federal	2.3	X
<i>Finance Letter</i>				
- Supports development of NCCP/HCP for the Central Valley.	\$2,000	State Water Project Funds	16.0	X

- Supports contracts with local jurisdictions to support development of NCCP/HCP for the Central Valley. \$500 Federal Funds X

Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
- Switch funding of five existing positions supported by Proposition 50 bond funds to State Water Project Funds.	-\$263	Prop 50	-5.0	X
Conveyance Program				
<i>Base Budget</i>				
- Supports studies to define fish movement in the delta, assists in the development of technologies in water transfer and fish screening, and examines sources of predation.	\$84	General Fund	1.0	X
Science Program				
<i>Base Budget</i>				
- Collects and analyzes data on delta resident fishes and tracks Interagency Ecological Program listed species.	\$464	Federal	4.3	X
- Collects and analyzes data on delta resident fishes and tracks Interagency Ecological Program listed species.	\$294	Fish and Game Preservation Fund, Dedicated	1.0	X
Total Governor's Budget	\$8,878		64.4	
Total Senate Budget	\$8,878		64.4	

3860 DEPARTMENT OF WATER RESOURCES

Staff Recommendation: Approve the following Delta-related activities for the Department of Water Resources:

Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
Oversight and Coordination				
<i>Base Budget</i>				
- Supports review of CALFED-related encroachment permit applications submitted to the Reclamation Board.	\$279	General Fund	2.0	X
Ecosystem Restoration Program				
<i>Base Budget</i>				
- Supports federal-state cost-share agreement between DWR, USBR, USFWS, and DFG for fishery restoration activities.	\$1,575	Prop 204	1.0	X
- Supports Fish Passage Improvement Program to do fish passage assessment.	\$297	Prop 50	2.0	X
- Supports Aquatic Restoration Planning and implementation program to facilitate environmental enhancement by developing habitat restoration and fish passage in the Yolo Basin.	\$1,002	Prop 50	3.0	X
- Supports activities to manage the Four Pumps Agreement to mitigate fish loss at the State Water Project's Delta Pumping Plant.	\$6,452	State Water Project Funds	5.2	X
<i>Budget Change Proposal</i>				
- Supports a contract with DFG to fund several multi-year ecosystem restoration projects that need additional funding for completion.	\$10,900	Prop 13	0.0	X
- Supports construction of a larger scale aeration demonstration project at the San Joaquin River Deep Water Ship Channel.	\$3,600	Prop 13	0.0	X
- Supports operation and maintenance of the aeration demonstration project.	\$600	Prop 13	3.0	X

Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
<i>Finance Letter</i>				
- Support development of data and actions for the HCCP/NCP for the Central Valley, including assessment and planning of fish passage improvements and invasive fish species eradication.	\$817	Prop 50	4.0	X
- Support development of a Memorandum of Understanding, a Planning Agreement, and preliminary work on one or more HCP/NCCPs for the Central Valley. The SWP contracts and CVP contractors will collectively contribute \$3 million annually to support this effort at DWR, DFG, USFWS, and NOAA for three years.		SWP Funds	3.0	X
- Extend liquidation of \$8.2 million to construct facilities to control waste discharges that contribute to low dissolved oxygen and other problems on the San Joaquin River and in the South Delta and to construct facilities to control drainage from abandoned mines.		Prop 13	0.0	X
Environmental Water Account				
<i>Base Budget</i>				
- Environmental Water Account asset purchases.	\$8,800	Prop 50	0.0	X
- Environmental Water Account purchases state support.	\$143	Prop 50	1.7	X
Water Use Efficiency				
<i>Base Budget</i>				
- Supports the California Irrigation Management Information System and provides technical assistance and outreach for water conservation activities.	\$1,124	General Fund	6.0	X
- Supports the administration of the CALFED Water Use Efficiency grant program, the administration of the desalination grant program, and technical assistance on water recycling projects.	\$2,597	Prop 50	9.4	X

Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
- Supports technical assistance and review of agricultural water management plans, urban water management plans, and development of new water conservation technologies.	\$1,885	Energy Resources Program Account	10.0	X
<i>Budget Change Proposal</i>				
- Supports grants for water use efficiency projects (50 percent allocated to urban projects and 50 percent allocated to agricultural projects).	\$30,136	Prop 50	0.0	X
- Grant program administration and technical assistance.	\$2,034	Prop 50	0.0	X
- Supports loans for agricultural water conservation. Loans can be used to match grant funds.	\$15,000	Prop 13	0.0	X
<i>Finance Letter</i>				
- Reappropriate \$5.2 million in water use efficiency grants appropriated in 2003.		Prop 50	0.0	X
Watershed Program				
<i>Base Budget</i>				
- Supports administration of the CALFED Watershed grant program.	\$252	Prop 50	2.0	X
<i>Budget Change Proposal</i>				
- Technical staff support for the Watershed Program.	\$667	Prop 50	3.3	X
<i>Finance Letter</i>				
- Reappropriate \$19 million for the Watershed Grant Program.		Prop 50	0.0	X
Drinking Water Quality				
<i>Base Budget</i>				
- Supports contract to model options for improving water quality in the Delta.	\$81	General Fund	0.0	X
- Supports data analysis and Delta computer modeling support for the CALFED drinking water quality program. The current focus is on improving water quality modeling of the upper San Joaquin River.	\$162	Prop 50	1.0	X
- Supports the development of the Franks Tract Project.	\$309	State Water Project Funds	1.9	X
Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
<i>Budget Change Proposal</i>				

- | | | | | |
|---|---------|---------------------------|-----|---|
| - Supports evaluating several possible alternatives for the Franks Tract Pilot Project. | \$1,245 | Prop 13 | 3.5 | X |
| - Supports evaluating several possible alternatives for the Franks Tract Pilot Project. | \$4,618 | Prop 50 | 0.0 | X |
| - Supports evaluating several possible alternatives for the Franks Tract Pilot Project. | \$600 | State Water Project Funds | 0.0 | X |
| - Supports final design and construction of the Franks Tract Pilot Project. | \$2,800 | Prop 50 | 0.0 | |
| - Supports final design and construction of the Franks Tract Pilot Project. | \$5,500 | State Water Project Funds | 0.0 | |

Finance Letter

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|---|---------|---------|-----|---|
| - Funding to start a new multi-year study conducted by USGS to evaluate methods to improve conveyance and water quality in the Delta. The study is the Low Intensity Chemical Dosing Project and will evaluate ways of reducing dissolved organic carbon levels in Delta drinking water supplies. | \$1,534 | Prop 13 | 0.0 | X |
|---|---------|---------|-----|---|

Levees***Base Budget***

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|--|---------|---------------------------|------|---|
| - Supports staff to implement the Delta Levees Special Projects Program, Delta Levee Maintenance Subvention Program, Emergency Response, Risk Management, and Subsidence Research. | \$1,135 | Prop 50 | 13.0 | X |
| - Supports staff to implement the Delta Levees Special Projects Program, Delta Levee Maintenance Subvention Program, Emergency Response, Risk Management, and Subsidence Research. | \$373 | State Water Project Funds | 2.0 | X |

Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
<i>Budget Change Proposal</i>				
- Subventions for delta levee projects.	\$8,370	General Fund	0.0	X
- Subventions for delta levee projects.	\$995	Delta Flood Protection Fund	0.0	X
- Supports the Delta Risk Management Study.	\$2,000	General Fund	0.0	X
- Supports the Delta Risk Management Study.	\$1,000	Prop 50	0.0	X
- Supports Delta levee program staff.	\$3,635	General Fund	18.0	X
- Supports various studies and other Delta-related contracts.	\$400	General Fund	0.0	X
- Supports various contracts.	\$600	General Fund	0.0	X
<i>Finance Letter</i>				
- Extend liquidation of \$2.5 million in subventions appropriated in 2003 to local districts completing 14 projects that are part of the Delta Levees Special Flood Control Projects Program.		Prop 50	0.0	X

Water Supply Reliability

Base Budget

- Supports staff and contracts for projects that increase water supply reliability through the planned and coordinated management of groundwater and surface water resources, including managing 22 MOU partnerships throughout the state.	\$6,806	Prop 50	16.6	X
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Finance Letter

- Extend liquidation of \$200,000 to support a contract with CSU, Sacramento to provide facilitation services for program activities.		Prop 50		X
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Conveyance Program

Base Budget

- Supports North Delta Flood Control and Ecosystem Restoration Project.	\$477	General Fund	3.0	X
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Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
- Supports design and construction of permanent operable barriers, which is part of the South Delta Improvement Program.	\$10,000	State Water Project Funds	20.0	X
- Supports contract and position to evaluate Clifton Court Fish Screen intake alternatives.	\$1,000	State Water Project Funds	1.0	X
- Supports contract and position to evaluate water quality improvements from the Through-Delta Facility and additional modeling and evaluation of alternatives to this facility.	\$800	State Water Project Funds	1.0	X
- Supports construction and removal of temporary rock barriers in the south delta.	\$6,600	State Water Project Funds	2.0	X
- Supports management of the Conveyance Program.	\$102	State Water Project Funds	0.5	X
<i>Budget Change Proposal</i>				
- Evaluate cost-effective fish facility improvement alternatives at the State Water Project and Central Valley Project intake facilities.	\$990	Prop 13	0.0	Hold Open
- Continue fish collection, handling, transportation and release study and for review of Tracy Fish Test Facility Project (supports 9 existing positions).	\$2,554	Prop 13	0.0	Hold Open
- Support fisheries related studies and make recommendations related to the Through-Delta facility (supports 5 existing positions).	\$2,000	Prop 13	0.0	X
- Supports final design and construction costs for the South Delta Improvements Program permanent operable barriers.	\$26,600	Prop 13	0.0	X, with TBL
- Supports final design and construction costs for the South Delta Improvements Program permanent operable barriers.	\$15,000	Prop 50	0.0	X, with TBL
<i>Finance Letter</i>				
- Reappropriate \$707,775 to continue the second phase of investigations of the South Delta Hydrodynamic Investigations.		Prop 13	0.0	X

Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
- Reappropriate \$4.2 million from funds appropriated in 2004 and 2005 to support the ongoing study to improve design, collection, and operation of fish collection, handling, transportation and release facilities.		Prop 13	0.0	X
- Extend liquidation of \$154,079, for the second time, that remains to support an ongoing study of hydrodynamics and fishery response to water operations in and around the Delta Cross Channel.		Prop 13	0.0	X
Science Program				
<i>Base Budget</i>				
- Supports contracts and positions for monitoring and special studies of the water quality and ecology in the Delta. Supports \$3.5 million in contracts with DFG, USFWS, USGS, and various universities and laboratories.	\$7,279	State Water Project Funds	21.7	X
Storage Program				
<i>Budget Change Proposal</i>				
- Reversion of \$5.5 million in Proposition 50 bond funds appropriated in 2003 and 2004.		Prop 50	0.0	X
- Supports evaluation of common assumptions to help evaluate which storage proposal is the preferred storage alternative.	\$1,300	Prop 50	2.5	X
- Supports evaluation of a North of Delta storage facility (Sites reservoir).	\$3,100	Prop 50	19.0	X
- Supports a contract with the Contra Costa Water District to evaluate enlarging Los Vaqueros reservoir.	\$1,000	Prop 50	1.3	X, with BBL
- Supports evaluation of additional storage on the upper San Joaquin River.	\$1,000	Prop 50	3.0	X
- Supports contract with Santa Clara Valley Water District to complete the San Luis Point Bypass feasibility study.	\$1,999	Prop 13	0.0	X

Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
<i>Finance Letter</i>				
- Extend liquidation of \$2.1 million for a contract with the Santa Clara Valley Water District for the San Luis Bypass feasibility study.		Prop 13	0.0	X
Total Governor's Budget	\$212,124		186.6	
Total Senate Budget	\$200,280		186.6	

Staff Recommendation. Approve the following budget proposals that are related to the Delta, but not included in the administration’s summary of total expenditures on the CALFED program:

Activity	Amount	Fund Source	Positions	Approve
Sacramento Valley Water Management Program				
<i>Budget Change Proposal</i>				
- Funding to complete environmental documents supporting the Sacramento Valley Water Management Program.	\$60	Prop 204	0.0	X
State Water Project				
<i>Budget Change Proposal</i>				
- Establish a position to provide legal advice and expertise regarding State Water Project contracting and environmental compliance issues.		State Water Project Funds	1.0	X
- Establish a position to support biological studies to guide restoration efforts in the Yolo Bypass.		State Water Project Funds	1.0	X
- Establish positions to implement the terms and conditions required under OCAP for ongoing operations of Oroville Facilities.		State Water Project Funds	3.0	X
- Establish a position and contracts to support the Interagency Ecological Program.		State Water Project Funds	1.0	X
- Establish positions to support SWRCB mandated Water Quality Compliance Monitoring programs to carry out compliance monitoring for SWRCB Decision D-1641.		State Water Project Funds	4.0	X
- Establish positions to support administration and program control for the Division of Environmental Services.		State Water Project Funds	3.0	X
- Establish a position to support complex modeling analysis of the Delta.		State Water Project Funds	1.0	X
- Restore positions to support the operation of the State Water Project.		State Water Project Funds	80.0	X

3940 State Water Resources Control Board

Staff Recommendation. Approve the following CALFED-related funding for the State Water Resources Control Board:

Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
Water Use Efficiency Program				
<i>Base Budget</i>				
- Supports staff to administer the CALFED water use efficiency grant program and provide technical assistance on water recycling projects.	\$153	Prop 13	1.6	X
- Supports staff to administer the CALFED water use efficiency grant program and provide technical assistance on water recycling projects.	\$902	Prop 50	9.0	X
<i>Budget Change Proposal</i>				
- Supports grants for water recycling projects.	\$7,000	Prop 13		X
Watershed Program				
<i>Base Budget</i>				
- Supports staff to administer the CALFED Watershed grant program and provide technical assistance on watershed projects.	\$82	Prop 13	0.8	X
- Supports staff to administer the CALFED watershed grant program.	\$100	Prop 50	1.0	X
<i>Budget Change Proposal</i>				
- Supports watershed grants.	\$5,990	Prop 50		X
- Supports watershed grants.	\$276	Prop 13		X
Drinking Water Quality Program				
<i>Base Budget</i>				
- Supports staff to administer the CALFED Drinking Water grant program and provide technical assistance on drinking water projects.	\$82	Prop 13	0.8	X
- Supports staff to administer the CALFED Drinking Water grant program and provide technical assistance on drinking water projects.	\$124	Prop 50	1.3	X

Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
<i>Budget Change Proposal</i>				
- Funding for non-point source pollution control grants.	\$101	Prop 13		X
- Funding for drinking water quality grants.	\$3,429	Prop 50		X
Total Governor's Budget	\$18,239		14.5	
Total Senate Budget	\$18,239		14.5	

3480 DEPARTMENT OF CONSERVATION

Staff Recommendation. Approve the following CALFED-related funding for the Department of Conservation:

Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
Oversight and Coordination				
<i>Base Budget</i>				
- Supports a position to review projects for consistency with the CALFED program.	\$96	Soil Conservation Fund	1.0	X
Watershed Program				
<i>Base Budget</i>				
- Program delivery associated with the Watershed Coordinator Grant Program.	\$228	Prop 50	2.0	X
Total Governor's Budget	\$324		3.0	
Total Senate Budget	\$324		3.0	

3540 DEPARTMENT OF FORESTRY AND FIRE PROTECTION

Staff Recommendation. Approve the following CALFED-related funding for the Department of Forestry and Fire Protection:

Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
Watershed Program				
<i>Base Budget</i>				
- Technical assistance and outreach activities that provide information on issues concerning the impacts of wildfire and forest management on watershed health to watershed groups and CALFED agencies, including supporting development of the California Watershed Manual.	\$159	Prop 50	0.0	X
Total Governor's Budget	\$159		0.0	
Total Senate Budget	\$159		0.0	

3820 SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION

Staff Recommendation: Approve the following CALFED-related funding for the San Francisco Bay Conservation and Development Commission:

Activity	Amount	Fund Source	Positions	Approve
Oversight and Coordination				
<i>Base Budget</i>				
- Supports permitting for CALFED projects and beneficial use of dredged materials for Delta levees.	\$88	General Fund	1.0	X
Total Governor's Budget	\$88		1.0	
Total Senate Budget	\$88		1.0	

4260 DEPARTMENT OF HEALTH SERVICES

The following was provided for informational purposes.

Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
Drinking Water Quality Program				
<i>Base Budget</i>				
- Supports development of a regional strategic framework, performance measures, and conceptual models.	\$125	Prop 50	0.0	X
Total Governor's Budget	\$125		0.0	
Total Senate Budget	\$125		0.0	

3870 CALIFORNIA BAY-DELTA AUTHORITY
0540 SECRETARY FOR RESOURCES

Staff Recommendation.

- Approve the transfer of positions and contract funding proposed to support the Bay-Delta Authority in the budget year to the following departments and agency:
- Request that staff work with the departments, DOF and the LAO to address technical and staffing issues that may arise from the recommended action.

Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
Oversight and Coordination				
<i>Base Budget</i>				
- Supports tracking CALFED funding and accomplishments, assuring public involvement, and assisting with regional implementation of the CALFED program. Funding supports positions and \$2.5 million in contracts for fiscal, personnel, and legal services.	\$6,746	General Fund	45.0	See table below.
Ecosystem Restoration Program				
- Supports administration of existing ecosystem restoration program contracts, strategic planning, and program tracking.	\$375	General Fund	3.0	Transfer to DFG
- Supports multi-year grants for mine remediation, evaluation of a pilot aeration project and source identification studies related to low dissolved oxygen.	\$9,752	Reimbursements	0.0	Transfer to DWR
- Funds staff to support studies and grants to address water quality problems causing low dissolved oxygen in the Stockton Deep Water Ship Channel, mercury issues, and other water quality issues.	\$269	Reimbursements	3.0	Transfer to DWR
- Supports staff to coordinate regional strategic planning, program performance tracking, ongoing program level science integration, and external review.	\$392	Prop 50	4.0	Transfer to DFG

Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
- Supports contracts to assist farmers in integrating ecosystem restoration activities with agriculture, manage an ecosystem restoration program tracking database, coordinate development of conceptual models to support the Delta Regional Ecosystem Restoration Implementation Plan, assist in developing performance measures, coordinating mercury issues, and external review of proposed grants.	\$1,652	Prop 50	0.0	Transfer to DFG
Environmental Water Account				
<i>Base Budget</i>				
- Supports contracts to assist program implementation and performance tracking.	\$27	General Fund	0.0	Transfer to DFG
Water Use Efficiency Program				
<i>Base Budget</i>				
- Supports contracts to assist with program implementation and performance tracking.	\$333	General Fund	0.0	Transfer to DWR
Watershed Program				
<i>Base Budget</i>				
- Supports a position to coordinate the Watershed Program.	\$117	General Fund	1.0	Transfer to DWR
- Supports a position and contracts to assist with program implementation, program oversight, and performance tracking.	\$794	Prop 50	1.0	Transfer to DWR
Drinking Water Quality Program				
<i>Base Budget</i>				
- Supports development of performance measures, strategic planning, drinking water data model development, and program-level science.	\$253	General Fund	2.0	Transfer to DHS
- Supports Old River and Rock Slough Drainage Management Projects and the Low Intensity Chemical Dosing Project.	\$4,835	Reimbursements	0.0	Transfer to DWR

Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
Levee Program				
<i>Base Budget</i>				
- Supports a contract to perform an inventory of structures in the Delta as part of the Delta Risk Management Study.	\$14	General Fund	0.0	Transfer to DWR
Storage Program				
<i>Base Budget</i>				
- Supports a position to provide ongoing technical support and guidance to the Common Assumptions process.	\$113	General Fund	1.0	Transfer to DWR
- Supports contracts to assist with program implementation and performance tracking.	\$158	General Fund	0.0	Transfer to DWR
Conveyance Program				
<i>Base Budget</i>				
- Supports contracts for the Clifton Court Fish Screens, to evaluate water quality improvements related to the Delta Cross Channel re-operation and Through-Delta facility alternatives, and South Delta Fish Protection studies.	\$378	General Fund	0.0	Transfer to DWR
- Supports contracts for the Clifton Court Fish Screens, to evaluate water quality improvements related to the Delta Cross Channel re-operation and Through-Delta facility alternatives, and South Delta Fish Protection studies.	\$44	Prop 50	0.0	Transfer to DWR
Science Program				
<i>Base Budget</i>				
- Supports science conferences and training.	\$3	General Fund	0.0	Transfer to Secretary
- Supports contracts to conduct Delta hydrodynamic, fish and special studies, including the Delta Smelt population in the Delta.	\$2,030	Reimbursements	0.0	Transfer to Secretary

Activity (\$ in thousands)	Amount	Fund Source	Positions	Approve
- Supports contracts and positions to support the independent science board and technical panels.	\$2,948	Prop 50	11.0	Transfer to Secretary
Finance Letter				
- Reappropriation of \$21.9 million appropriated in 2002 to support the Science Program.		Prop 50		Transfer to Secretary

	Secretary for Resources	DWR	DFG	Total
Director	1.0			1.0
Admin Assistant	1.0			1.0
CEA		2.0		2.0
Executive Assistant		2.0	1.0	3.0
Legal			1.0	1.0
Staff Services Analyst		1.0	2.0	3.0
Staff Services Manager I	1.0	1.0		2.0
Staff Services Manager II			2.0	2.0
Staff Services Manager III			1.0	1.0
Associate Governmental Program Analyst	1.0	2.0	6.0	9.0
Business Service Officer I			1.0	1.0
Business Service Officer II			1.0	1.0
Staff Information Systems Analyst			1.0	1.0
Associate Information Systems Analyst		1.0	1.0	2.0
Information Systems Technician			1.0	1.0
Staff Program Analyst			1.0	1.0
Senior Accounting Officer		1.0		1.0
Staff Environmental Scientist			2.5	2.5
Environmental Program Manager I			1.0	1.0
Program Manager I		1.0		1.0
Program Manager II		1.0	1.0	2.0
Program Manager III			1.0	1.0
Supervising Engineer, Water Resources		2.0		2.0
Recreation and Wildlife Resources Advisor			0.5	0.5
Research Analyst II			1.0	1.0
Associate Budget Analyst			1.0	1.0
Total	4.0	14.0	27.0	45.0

