

**AGENDA  
PART I  
ASSEMBLY BUDGET SUBCOMMITTEE No. 3  
NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION**

**Assemblymember Ira Ruskin, Chair  
TUESDAY, MAY 22ND, 2007  
STATE CAPITOL, ROOM 437  
UPON CALL OF THE CHAIR**

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**Hearing Items**

<u>ITEM</u>	<u>DESCRIPTION</u>	<u>PAGE</u>
	CONSENT CALENDAR	2
	REAPPROPRIATIONS REVERSIONS AND EXTENSIONS OF LIQUIDATIONS	3
<b>3860</b>	<b>DEPARTMENT OF WATER RESOURCES</b>	<b>6</b>
ISSUE 1	APRIL FINANCE LETTER PROPOSAL	6
ISSUE 2	MAY REVISE PROPOSALS	8
ISSUE 3	CALFED – SURFACE STORAGE PROPOSALS	9
ISSUE 4	CALFED – CONVEYANCE AND WATER QUALITY	10
ISSUE 5	PROPOSITION 84: INTEGRATED REGIONAL WATER MANAGEMENT	12
ISSUE 6	PROPOSITION 84: ALL AMERICAN AND COACHELLA CANAL LINING	13
ISSUE 7	PROPOSITION 84: DELTA WATER QUALITY PROGRAM	14
ISSUE 8	PROPOSITION 84: MULTI BENEFIT PLANNING AND FEASIBILITY STUDIES	14
ISSUE 9	FLOOD MANAGEMENT	15
	DEPARTMENT BUDGET CHANGE PROPOSAL SPREADSHEET	18

**CONSENT CALENDAR**

ITEM	DEPARTMENT	SUMMARY
0540	Secretary for Resources	\$125,000 (EEMP) to manage the expenditure of Environmental Management Program Grants by CalTRANS.
0540	Secretary for Resources	April Finance Letter: \$2.7 million (Federal Fund) for CALFED Science Program Grants
0540	Secretary for Resources	April Finance Letter: Prop 40 River Parkways Reversion
0540	Secretary for Resources	May Revise: Urban Streams Restoration Program – Extension of liquidation for Proposition 40 funds
0540	Secretary for Resources	May Revise: Reappropriation of Proposition 12 funding for Folsom Powerhouse State Park.
3125	Tahoe Conservancy	April Finance Letter: The Tahoe Conservancy is proposing to convert 8 positions currently under a contract with the UC system to in house staff.
3340	California Conservation Corps	April Finance Letter: \$17.4 million of construction of the Camarillo Satellite Relocation/Construction project.
3340	California Conservation Corps	April Finance Letter – Reversion of \$106,000 of Proposition funds reappropriated in the budget act of 2006.
3480	Department of Conservation	Governor's Budget. \$1.4 million (Prop 40) for watershed coordinator grants. Positions are permanent, but grants will be for one year only.
3480	Department of Conservation	\$2.4 million from the (Beverage Container Recycling fund) to work with DTSC to promote sustainable and biodegradable plastic containers.
3540	Department of Forestry and Fire Protection	April Finance Letter: \$6.7 million for maintenance and support of the departments computer aided dispatch system
3540	Department of Forestry and Fire Protection	April Finance Letter: \$3.29 million (General Fund) for Southern California Fuel Management.
3540	Department of Forestry and Fire Protection	April Finance Letter: Capital Outlay - Reduction of \$6.6 7million for item 3540-301-0001 and an increase of \$8.676 million for 354-301-0660 and other requested changes for various capital outlay.
3560	State Lands Commission	\$308,000 for the preliminary plans phase of the Huntington Beach Field Office Relocation project.
3600	Department of Fish and Game	Various changes to budget structure to reflect Department of Fish and Game programmatic realignments.
3640	Wildlife Conservation Board	Finance Letter: Transfer of Prop. 50 to the habitat conservation fund.
3810	Santa Monica Mountains Conservancy	Finance Letter: \$916,000 for the In Lieu Fee Mitigation proposal
3810	Santa Monica Mountains Conservancy	Finance Letter \$118,000 (Prop 40) for Capital Outlay and Grants
3835	Baldwin Hills Conservancy	Finance Letter: Reappropriation of the balance of the 2002 Proposition 40 appropriation.

## **REAPPROPRIATIONS, REVERSIONS, EXTENSION OF LIQUIDATION**

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The following are various Reappropriations, Reversions and Extensions of Liquidations that were presented to staff by various members of the legislature. Staff recommends approval as proposed:

### **Secretary for Resources**

0540-361 — Extension of liquidation period, Resources Agency. Notwithstanding any other provision of law, funds appropriated in the following citations shall be available for liquidation until June 30, 2008:

0540-Coastal Resources Grant Program:

(1) Item 0540-101-0001, Budget Act of 1999 (Ch. 50 Stats. 1999).

0540-361 — Extension of liquidation period, Resources Agency. Notwithstanding any other provision of law, funds appropriated in the following citations shall be available for liquidation until June 30, 2008:

0540-Coastal Resources Grant Program:

(2) Item 0540-101-0001, Budget Act of 2000 (Ch. 52 Stats. 2000).

0540-361 — Extension of liquidation period, Resources Agency. Notwithstanding any other provision of law, funds appropriated in the following citations shall be available for liquidation until June 30, 2008:

0540-Coastal Resources Grant Program:

(3) Item 0540-101-0001, Budget Act of 2001 (Ch. 106 Stats. 2001).

### **California Conservation Corps**

3340-490—Reappropriation, California Conservation Corps. The balance of the appropriation provided for in the following citations, or the amount specified, is reappropriated for the purposes provided for in the appropriations and shall be available for encumbrance until June 30, 2008.

0055—Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund

(1) Item 3340-101-0005, Budget Act of 2004 (Ch. 208, Stats. 2004), as reappropriated by Item 3340—491, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), as reappropriated by Item 3340-401, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), for local assistance to local conservation corps. Of that amount, \$384,000 shall be for the Fresno Local Corps for the construction of a recreation building with a neighborhood youth center.

### **Department of Parks and Recreation**

**3790-4XX - Reappropriation, Department of Parks and Recreation.** Notwithstanding any other provision of law, the period to liquidate the encumbrance of the following citation, subject to the following limitation, is extended to June 30, 2009:

0383-Natural Resources Infrastructure Fund. Item 3790-101-0383, Budget Act of 2004 (Ch. 208, Stats. 2004), as reappropriated by Item 3790-494(1), Budget Act of 2005 (Ch. 38, Stats. 2005), City of Los Angeles, Department of Parks and Recreation, to fund priority parks renovation, restoration, improvement, and deferred maintenance.

**3790-490 – Extension of Liquidation Period, Department of Parks and Recreation**

The balance of the appropriation provided in the following citation is re-appropriated for the purpose and subject to the limitations, unless otherwise specified, provided for in the following appropriation and shall be available for liquidation of encumbrances until December 31, 2009.

6029 – California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund.

- (1) Item 3790-601-6029, Chapter 1126, Statutes of 2002  
SEC.2 (b) Historical and Cultural Resources Preservation Opportunity; Grant Program

Provisions:

1. The extension of liquidation is limited to the \$2,500,000 grant to Immigration Museum/New Americans.

**Reappropriation, Department of Parks and Recreation.** The balance of the appropriation provided for in the following citation is reappropriated for the purposes specified and shall be available for encumbrance or expenditure until June 30, 2009:

0005 -- Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund

- (1) Item 3790-102-0005, Budget Act of 2000 (Ch. 52, Stats. 2000)

(a) 80.25 - Recreational Grants

- (5) Murray-Hayden Grants

(ux) County of San Diego: Bancroft Park Acquisition and/or Development

**3790-490-Extension of Liquidation Period, Department of Parks and Recreation.**

The balance of the appropriation provided in the following citation is re-appropriated for the purpose and subject to the limitations, unless otherwise specified, provided for in the following appropriation and shall be available for liquidation of encumbrances until December 31, 2008.

6029—California Clean Ware, Clear Air, Safe Neighborhood Parks, and Coastal Protection Fund.

- (1) Item 3790-601-6029, Chapter 1126, Statues of 2002

SEC.2.(b) Historical and Cultural Resources Preservation Opportunity Grant Program.

Provisions:

1. The extension is limited to the \$3,000,000 grant to the City of Oroville.

**Department of Fish and Game**

3600-490--Reappropriation, Department of Fish and Game.

Notwithstanding any other provision of law, the balance of the amount appropriated in the following citation is hereby reappropriated until June 30, 2010 to the Department of Fish and Game for the purposes and subject to the limitations, unless otherwise specified, provided for in that appropriation:

6031--Water Security Clean Drinking Water, Coastal and Beach Protection Fund of 2002

(#) Item 3600-001-6031, Budget Act of 2003 (Ch. 157, Stats. 2003)

(20) Item 3600-001-6031, Budget Act of 2004 (Ch. 208, Stats. 2004) as reappropriated by Item 3600-490 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

(#) Item 3600-001-6031, Budget Act of 2005 (Chs. 38 and 39, Stats. 2005)

(#) Item 3600-001-6031, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)

(#) Item 3870-001-6031 of the Budget Act of 2003 (Ch. 157, Stats. 2003), as reappropriated by

Item 3870-490 of the Budget Act of 2005 (Chs. 38 and 39, Stats. 2005) and Item 3600-490 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)

(#) Item 3870-001-6031 of the Budget Act of 2004 (Ch. 208, Stats. 2004), as reappropriated by Item 3600-490 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006)

**STAFF RECOMMENDATION: Approve reappropriations and extensions of liquidation as proposed.**

**3860 – DEPARTMENT OF WATER RESOURCES**

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**ISSUE 1: APRIL FINANCE PROPOSAL**

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1. **Bond Funding for Critical Flood Control Activities.** As an alternative to the transfer and to address ongoing General Fund shortfalls, the administration will delete the \$200 million transfer proposal from the budget, and instead proposed to revert \$168 million in unspent AB 142 funds (as of June 30, 2007) to the General Fund. In addition, the administration proposes to revert \$16 million from unspent General Funds that were appropriated to DWR in 2006-07 for the Flood Control Subventions Program. The total amount that will be reverted to the General Fund will be \$184 million

**Staff Comments.** Staff has no issues with the proposal

2. **Support for Pelagic Fish.** The department is requesting 3.0 new positions funded through the State water Project to coordinate mitigation actions to address the Pelagic Fish decline.

**Staff Comments.** Staff has no issues with the proposal

3. **West Sacramento Project -** Cost-share levee repair and levee investigation with the Corps. \$8,510,000 from Prop 1E and \$1,811,000 in Reimbursement Authority for the West Sacramento Project. This funding request includes a \$6.0 million advance to the US Army Corps of Engineers. Also, \$428,000 from the General Fund for payment of an outstanding invoice from the Corps. To offset this increase, a reversion of \$428,000 to the GF from the Folsom Dam Modifications Project is necessary.

**Staff Comments.** Staff has no issues with the proposal

4. **Reappropriation of Various Funds.** The department is requesting the reappropriation and extension of liquidation of various projects that will not be completed by June 30, 2007.

5. **Salton Sea Interim Restoration and Management**

It is requested that reimbursements be increased by \$2.0 million and Item 3860-001-0001 be amended to reflect this change. Interim restoration and management of the Salton Sea is necessary to minimize impacts to existing habitat and wildlife before the preferred long-term restoration alternative is implemented. DWR will perform this work in cooperation with the Wildlife Conservation Board, Department of Fish and Game, and local entities.

**Staff Comments.** Staff has no issues with the proposal

- 6) **Implementation of the Water Conservation in Landscaping Act of 2006**

It is requested that Item 3860-001-6051 be increased by \$400,000 and Item 3860-001-0001 be amended to reflect this change. The Water Conservation in Landscaping Act of 2006 (Act) requires DWR, to the extent that funds are appropriated, to update the model local water efficient landscape ordinance (model ordinance) by January 1, 2009. The Act requires chartered cities to adopt a water efficient landscape ordinance at least as effective as the model ordinance, and requires DWR to report to the Legislature on the status of water efficient landscape ordinances. DWR anticipates the Act's water conservation actions will result in water savings of between 600,000 and 1 million acre-feet of water per year. This funding will support 2.0 new positions to implement the requirements of the Act.

**Staff Comments.** In addition to the proposal put forth by the administration, staff would also recommend that the subcommittee adopt Supplemental Report Language that provides an evaluation of the state's approach to estimating water use in California was evaluated in 2003-2004 by the California Bay-Delta Authority (CBDA). In February 2004 the CBDA made recommendations supported by a broad technical and stakeholder process that would improve urban and agricultural water measurement. These recommendations if implemented would improve state and regional water management planning and enable a better assessment of the benefits of water conservation actions. The Supplemental Report Language requires the Department of Water Resources to report on their plans for implementing the CBDA water measurement recommendations and specifically the costs and benefits of implementing the recommendations."

*The department shall report to the Legislature by November 1, 2007 on their plan for implementing the recommendations in the California Bay-Delta Authority Water Measurement proposal of February 2004, and the Independent Panel on Agricultural Water Use. The department shall focus on Section III containing the agricultural water use recommendations including but not limited to 1) characterization of groundwater use; 2) improved crop water consumption estimates; and 3) research and adaptive management programs, including comprehensive reviews to determine measurement needs for return flows, water quality and instream flows. The department shall include for each ongoing or planned activity -- a cost estimate for implementation, the expected cost savings, and the expected water, energy, and other environmental benefits.*

**STAFF RECOMMENDATION.** Approve as budgeted with supplemental reporting language.

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**ISSUE 2: MAY REVISE PROPOSALS**

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The Department of Water Resources is requesting that Item 3860-301-6052 be decreased by \$193,510,000 and Item 3860-302-6052 be added in the same amount to provide funding for the West Sacramento Project, Systemwide Evaluations and Repairs, and State-Federal Flood Control Evaluations. Additionally, provisional language is proposed for Item 3860-302-6052 to allow the Department of Water Resources (DWR) to proceed with these projects using state and local agency funds with or without federal participation or crediting, and with more flexible cost-sharing. Given the unprecedented availability of state bond funds, and the relative scarcity of available federal funds, this action is necessary to allow the state to expeditiously implement flood control projects that enhance public safety and protect infrastructure.

Additionally, it is requested that provisional language be added to Item 3860-001-6052 and Item 3860-302-6052 to allow expenditure of these funds to be subject to conditions specified in Governor's Executive Order S-18-06. This will allow the DWR to continue expedited flood work under the authority of the emergency declaration as was previously authorized for projects funded by Chapter 34, Statutes of 2006 (AB 142).

**Salton Sea Habitat Restoration and Planning—Reimbursement Authority**

It is requested that Reimbursements be increased \$2.5 million and Item 3860-001-0001 be amended to reflect that change. The DWR has an existing contract with the Wildlife Conservation Board to develop habitat restoration plans and related environmental documentation for the Salton Sea. The contract has been extended through December 2007 to accommodate additional tasks added to the contract. The total value of the contract remains the same, but the DWR needs reimbursement authority to expend these funds in the budget year.

**Snowmelt Runoff Forecasting Program—Schedule Adjustment**

It is requested that Item 3860-001-0001 be amended to shift \$640,000 from Program 10, Continuing Formulation of the California Water Plan, to Program 30, Public Safety and Prevention of Damage. The Snowmelt Runoff Forecasting Program collects data to improve flood forecasting and emergency response efforts. When developing the Governor's Budget, a scheduling error was made that inadvertently budgeted these funds in the incorrect program. This proposal would correct the error so funds are correctly scheduled.

**Yuba Feather Flood Protection Program—Extension of Liquidation**

It is requested that Item 3860-491 be added to extend the liquidation period to June 30, 2009, for Proposition 13 funds encumbered in grant agreements with the Yuba County Water Agency and Colusa Basin Drainage District for feasibility studies and design grants. The extension of liquidation is necessary to give the DWR and grantees time to resolve issues related to the final scope of work to be funded from the grants.

**STAFF RECOMMENDATION. Approve May Revision proposals as budgeted**

**ISSUE 3: CALFED - SURFACE STORAGE STUDIES**

**Surface Storage Studies.** The Governor's budget proposes \$15.8 million (\$3.76 million in Proposition 50 and \$12 million from Proposition 84) over two-years to complete feasibility studies and environmental documentation for three potential surface storage projects (North of Delta, Los Vaqueros, and Upper San Joaquin).

To date, the state has invested over \$62 million into the CALFED program on surface water storage studies. According to the administration, the Governor's budget would move the state forward on completing the three identified surface storage studies by the end of 2008-09. Though the administration expects that there would be a minimum of 50 percent cost share with benefiting entities for construction of a storage project, this proposal would not include nor identify any future cost share with entities who might benefit from these projects.

<b>Figure 1</b> Summary of CALFED Expenditures on Surface Storage Studies			
August 2000 through 2007-08 (in millions)			
	<b>Estimated 2006-07</b>	<b>August 2000 Through</b>	<b>Proposed 2007/08</b>
	<b>State Expenditures</b>	<b>Federal Expenditures</b>	<b>State budget</b>
Common Assumptions		\$5.4	\$5.8
Shasta Lake Enlargement		0.4	14.5
North of Delta Off stream Storage (Sites Reservoir)		30.8	5.5
In-Delta Storage Investigations		9.3	0.7
Los Vaqueros Reservoir		13.5	13.2
Upper San Joaquin River Storage investigations (Temperance Flat)		3.2	15.7
<b>Total</b>		<b>\$62.6</b>	<b>\$55.4</b>
			<b>\$9.8</b>

**LAO Comments.** In their analysis of the budget, the LAO has raised concerns that the state will not be able to complete the proposed feasibility studies until local and federal beneficiaries are identified and their commitment to funding these projects is clearly demonstrated. Since the Governor's budget proposal does not include any cost share with locals or federal entities, the LAO is recommending that the funding request be rejected.

**Staff Comments.** As a counterbalance to the discussion of surface storage, membership of the legislature has requested that the subcommittee consider groundwater storage as a potential piece of the overall strategy that California takes when addressing its water storage needs. In particular, it has been requested that the Madera Irrigation District's water bank proposal be specifically included into that discussion. From information provided to staff, it

appears that the proposed water bank contains up to 55,000 acre-feet of water per year that can be recharged with overflow from the San Joaquin River. Potentially, increased water supplies provided by the water bank could be used in San Joaquin River restoration activities or to alleviate regional needs for increased water supply. While staff does not recommend at this time that the subcommittee approve trailer bill language or funding for this project, it is recognized that the district's proposal is nearly ready to go into construction and could potentially provide benefits to local groundwater basins.

**STAFF RECOMMENDATION:** In concurrence with the LAO, staff recommends that the subcommittee reject both the Proposition 50 funds and the Proposition 84 funds for surface storage studies.

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**ISSUE 4: CALFED - CONVEYANCE AND WATER QUALITY**

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The Governor's budget is requesting a total of \$5.9 million in Proposition 13 and Proposition 50 funds for two purposes:

**Delta Fish Facility Improvement Project.** The Governor's budget is requesting \$1.25 million from Proposition 13 for existing work at the Clifton Court Forebay Facility to evaluate alternative actions to address the decline of fish species in the delta. Studies funded from this proposal will evaluate cost-effective alternatives and processes to better protect fish at the SWP and Central Valley Project (CVP) Delta pumping plants.

**South Delta Hydrodynamic Study.** The Governor's budget is requesting \$500,000 from Proposition 13 to continue the South Delta Hydrodynamic Investigations (fourth year), SWP funds estimated at \$500,000 and a federal funding share are also planned. This study will evaluate fish entrainment and operational improvements to protect South Delta fisheries and improve water quality.

**Franks Tract Project.** This proposal is requesting \$4.1 million from Proposition 50 funds and one new permanent position funded through SWP funding for complete environmental impact reports and develop pilot proposals for the Franks Tract project. Franks Tract was an island in the Delta that flooded in 1938 and has very little land above water. This ongoing project aims to, if feasible, restore existing levees in Franks Tract, and install tidal gates to provide infusions of fresh water to reduce salinity levels in the delta.

**Staff Comments.** The proposals presented by the administration in large part are a continuance of prior projects approved by the legislature. The only issue of concern that staff has with these proposals is that budget bill language is requested to allow for a 2-year encumbrance schedule of the proposed funds rather than one. The subcommittee has had extensive discussion on the major policy decisions facing the delta and expectations are that we will be able to use the outcomes of the Delta Vision, the End of Stage 1 Review and the Bay Delta Conservation plan to drive the immediate policy making process. For the hearing, the department should be prepared to discuss why a two-year encumbrance period is needed rather than just one-year.

On March 28<sup>th</sup>, because of the expected completion of various planning exercises related to the Delta, the subcommittee approves this funding on a one year basis. After further consideration, because staff expects the legislature will be conduct a programmatic-wide evaluation of the CALFED program in the coming years, staff does not believe that holding back these relatively minor portions of the CALFED program necessarily encourages a global review of the program. As such, staff recommends that the proposals be re-opened and approved as budgeted.

**STAFF RECOMMENDATION: Re open issue and approve as budgeted.**

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**ISSUE 5: PROPOSITION 84: INTEGRATED REGIONAL WATER MANAGEMENT /STORMWATER GRANTS**

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**Governor's Budget.** The Governor's budget is requesting \$1.3 billion over 11 years, \$965 million from Proposition 84 for IRWM grants and \$289.5 million from Proposition 1E for stormwater grants. This proposal will include a total of 46.5 positions (13 new and 33.5 redirected) for support of the program. Below is a breakout of the different grants that will be administered as part of the IRWM program:

**IRWM Grant Program - \$1.1 billion**

- **Proposition 84 IRWM Implementation Grants** - \$808.5 million for grants allocated to 11 regions of the state identified in the proposition for regional projects that improve water quality, restore and protect the environment, and promote regional self-sufficiency.
- **Proposition 1E Stormwater Flood Management Grants** - \$274.5 for grants for stormwater flood projects that are designed to manage stormwater runoff in order to reduce flood damage and where feasible provide other benefits including groundwater recharge, water quality and ecosystem restoration.
- **Regional Planning Grants** - \$30 million for grants to help communities develop IRWM proposals. \$5 million would be dedicated to the participation of disadvantaged communities.
- **Local Groundwater Management Grants** - \$18 million in grants to install monitoring wells, conduct hydrogeologic studies of groundwater basins, and conduct other studies in accordance with the Local Groundwater Assistance Act.
- **Directed Actions to Projects with Inter-Regional and Statewide Benefits or Providing for Critical Needs and Disadvantaged Communities** - \$42 million for grants to promote interregional linkages or provide broad public benefits. DWR will allocate \$10 million to water management projects that directly effect disadvantaged communities.
- **Scientific Research Grants** - \$8 million to support CALFED science program grants.

**Data Analysis, Technical Assistance, and Program Assessment – \$33 million**

- **Data Collection, Management, Dissemination and Analysis** - \$15 million to develop data standards and data management systems; simplify and expand public access to DWR and other water resources data; and modernize DWR's aging surface water, groundwater level monitoring and water quality equipment.
- **Technical Assistance and Coordination for Regional Planning Efforts** - \$15 million to provide various technical assistance for water management projects.
- **Assessment of Progress and Benefits of IRWM Implementation** - \$3 million to track progress of IRWM funding.

**Grant Administration** – \$40.5 million over 10 years will be allocated to support grant solicitation, review, award, and management.

**Background.** The intent of the IRWM program is to encourage integrated regional strategies for management of water resources and to provide funding, through competitive grants, for projects that protect communities from drought, protect and improve water quality,

and improve local water security by reducing dependence on imported water. Proposition 84 allocated roughly \$1 billion for the Department of Water Resources to administer through the program. Proposition 84 designates 11 different regions statewide that will be used to distribute these competitive grants. Using these designations, the department will determine through their regulation making process how integrated regional boundaries are drawn and what criteria will be used to award IRWM Grants.

**Staff Comments.** Because the IRWM program does have a stormwater component, the administration included \$274 million authorized in Proposition 1E for stormwater grants within their proposed IRWM grant program. Though the IRWM program is an appropriate place to administer these grants, the legislature is currently considering various Proposition 1E stormwater implementation bills that would potentially administer grants through a new program separate from IRWM. As such, staff recommends that the subcommittee separate the Proposition 1E stormwater funding from the department's IRWM proposal and approve it conditional upon approval of legislation.

**STAFF RECOMMENDATION. 1) Approve the Integrated Regional Water Management proposal, minus Proposition 1E funding for Stormwater grants pursuant to legislation.**

**2) Approve the Proposition 1E Stormwater funding pursuant to legislation**

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**ISSUE 6: PROPOSITION 84: ALL AMERICAN AND COACHELLA CANAL LINING PROJECTS**

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The Governor's budget is requesting \$82 million (\$47.2 million General Fund) and \$34.74 million Proposition 84 funds) for local assistance funding for canal linings and other groundwater conjunctive use projects considered essential to reduce the State's Colorado River water use to its basic apportionment of 4.4 million acre-feet in normal years, as specified in California's Colorado River Water Use Plan, the Quantification Settlement Agreement, and other related documents. State General Funds appropriated for these projects have been continuously appropriated to the department since 2003 are expected to be fully expended by the end of the proposed three-year encumbrance period.

**Background.** California has a limited apportionment of water from the Colorado River that serves customers in the Los Angeles, Imperial and San Diego Counties. In the past agencies with rights to Colorado River water were exceeding their annual allotment but do to increasing demand from Nevada and Arizona, California was required to reduce its use of Colorado River water to its "normal" apportionment. To continue serving its customers with less available water, water agencies with rights to the Colorado River agreed to a California Plan and signed a Quantification Settlement Agreement (QSA) that called for the implementation of conservation efforts, conjunctive use projects, and canal linings to prevent seepage of water into the water table. In total, \$225 million has been appropriated for the projects to date and Proposition 84 made \$34 million available as well.

**STAFF RECOMMENDATION. Approve as budgeted**

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**ISSUE 7: PROPOSITION 84: DELTA WATER QUALITY PROGRAM**

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The Governor's budget is requesting \$125 million from Proposition 84 over a five-year period (\$25 million in 2007/08) to fund projects to improve water quality in the San Joaquin River Sacramento River Delta.

**Background.** Proposition 84 authorizes \$125 million for projects to improve water quality in the Delta. The department states that it intends to accomplish this by administering grant monies for projects that are cost shared by local agencies that:

- Reduce agricultural discharge from the west side of the San Joaquin Valley.
- Eliminate discharges of bromide, dissolved organic carbon, pesticide, salt, and pathogens from discharges in the water.
- Reduce salinity or other pollutants at agricultural and drinking water intakes by implementing projects at Franks Tract or other locations in the Delta.
- Implement projects identified in the June 2005 Delta Region Drinking Water Quality Management Plan.

**Staff Comments.** The Governor's budget is proposing a five-year encumbrance period for the entire allotment of Proposition 84 funds for delta water quality. Consistent with other recommendations concerning Proposition 84 funds staff recommends that only the first year of funding be approved when action is taken.

**STAFF RECOMMENDATION. Approve as budgeted for 1 year only.**

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**ISSUE 8: PROPOSITION 84: MULTI BENEFIT PLANNING AND FEASIBILITY STUDIES**

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The Governor's budget is proposing \$62.7 million from Proposition 84 to be appropriated over 5 years and 22.8 positions in fiscal year 2007/08 to develop and support DWR's program activities for integrated multi-benefit planning and feasibility studies related to California's future water needs. This proposal is broken into 6 components; the following four have not been acted on.

1. **Promotion of Urban and Agricultural Water Conservation. \$7.5 million, 10.3 redirected positions.** Over five years, DWR will study conservation strategies, develop best management practices for irrigation operations, and provide technical services for agricultural and urban water conservation.
2. **Integration of Flood Management and Water Supply Systems. \$5.2 million, 7.9 redirected positions.** Over five years, DWR will conduct studies to evaluate fish, wildlife, and habitat components as part of the integration of flood management, water supply reliability, and water quality from a watershed perspective.
3. **Implementation of California Water Plan Recommendations.** \$15.0 million with 1 new position and 15 redirected positions. Over five years, DWR will improve stakeholder collaboration; implement regional planning outreach, coordination an inventory of water data and needs; assess progress in Integrated Regional Water

Management planning and implementation; and improve environmental water use methodology for presentation in future California Water Plan update reports. This proposal also includes funding for a new Water Plan Information Exchange that will make water information data among state, federal, local, and public stakeholders.

4. **Develop Delta Vision and Redirection of 2 Existing Positions.** Support ongoing efforts to develop a plan for sustainable management of the Sacramento-San Joaquin Delta.

**Staff Comments.** The department is requesting a five-year expenditure plan for the proposed activities. With exception to the surface storage funding proposals that were discussed in Issue 3 of the agenda, staff does not have any issues with these proposals but would recommend that when the department takes action, only one year of funding is approved so that in subsequent years, the legislature will be able to revisit these projects.

**STAFF RECOMMENDATIONS. Approve on a one year basis.**

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#### **ISSUE 9: FLOOD MANAGEMENT**

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Last year, the voters approved almost \$5 billion in Propositions 1E and 84 for flood protection spending. Authorized primarily to the Department of Water Resources (DWR), these funds will be used to respond to immediate needs for statewide flood system repairs as well as for regional flood protection planning, mapping, and prevention. From studies conducted at the state and federal level, we know that California's flood protection system in the Central Valley is highly vulnerable to a catastrophic failure that would put in jeopardy California's ability to pump water from the delta and threaten both life and property in the Central Valley. In the proposed budget, the administration is requesting that the legislature consider funding a flood protection package that would continue many of the state's existing flood protection programs make requirements that existing flood infrastructure be maintained and conduct the necessary studies and evaluations to plan for potential changes in our state's hydrology caused by climate change.

**Prior Legislative Actions.** Because of the immediacy in need for flood system repairs, the Legislature and the Governor gave bipartisan support in 2006 to AB 142 (Nunez/Perata) that continuously appropriated \$500 million from the General Fund to DWR to begin repair on an initial 24 critical levee erosion sites identified by the department. Under an emergency declaration signed by the Governor and through cooperation with federal regulatory agencies, the department was able to move forward on levee repair on an expedited pace. As work progressed on these sites over the course of the summer, the department identified an additional 71 critical levee sites for repair.

**Proposition 1E.** While the continuous appropriation made in AB 142 were intended to provide an immediate source of funding for DWR to use to address emergency levee repairs in the interim, Proposition 1E was approved to supersede the general fund with general obligation bond funds as the main sources of funding for our flood protection infrastructure. In total, Proposition 1E authorizes the state to sell about \$4.1 billion in GO bonds for various

flood management purposes. In order to spend these bond funds, the measure requires the legislature to appropriate them in the annual budget act or other legislation.

**Proposition 84.** In total, Proposition 84 authorizes \$865 million to DWR for flood control projects. Of this funding \$310 million is continuously appropriated to the department and does not require action by the legislature. The charts on the next page outline funding provided in both Proposition 1E and 84 for flood protection:

**Governor's Budget.** The Governor's budget is proposing a total of \$160.1 million in new expenditures for flood management. Of this funding, \$9.5 million will be ongoing and includes flood protection maintenance, floodplain management, and emergency response activities. On a one-time basis, \$150.6 million will be expended mostly on flood control system projects and levee evaluation and repairs.

As mentioned above, Proposition 84 also continuously appropriates \$310 million for floodplain mapping, emergency preparedness, and a local subventions and grants for flood control projects.

Detailed below in the specific budget proposals, the state's general strategy for flood protection is to: 1) repair critical levee erosion sites, focusing first on those sites that pose highest liability for the state; 2) conduct a system-wide evaluation of the Central Valley flood control system; 3) incentivize maintenance of system levees and channels that are currently neglected; 4) develop nonstructural flood protection systems such as flood corridors; and 5) improve emergency response and flood fighting ability.

#### Major Flood Protection Proposals in the Governor's 2007/08 Budget

- **Central Valley Flood Control System System-Wide Levee Evaluations and Repairs**—\$100 Million (One-Time Proposition 1E Bond Funds). These funds would be used to begin conducting a system-wide evaluation of the state's levees and repair erosion sites where deficiencies are found.
- **Continuing Capital Outlay Projects**—\$47.1 Million (\$35.2 Million Bond Funds, \$11.9 Million Reimbursements). There are several continuing Central Valley flood control system capital outlay projects in the budget. These projects, while funded by the General Fund in past years, are proposed to be funded entirely by bond funds (and reimbursements) in the budget year. These projects include, for example, the Folsom Dam Modifications Project and the American River (Common Features) Project.
- **Flood Project Maintenance**—\$3.2 Million (\$1.7 Million General Fund, \$1.5 Million Reimbursement Authority). These augmentations are proposed for Maintenance Area Formation in areas where locals are not maintaining the state system, and for channel vegetation maintenance, mostly by the California Conservation Corps. The proposal also includes \$1.5 million in reimbursement authority to implement a "beneficiary pays" system of payment from locals benefiting from the projects.
- **Floodplain Management**—\$3.1 Million. These augmentations are proposed to improve DWR's ability to inform local governments about potential flood risks through increased floodplain mapping. The proposal also increases resources for enforcing violations of the Reclamation Board's designated floodway standards, creates a floodplain administrator for state buildings and a Community Rating System program to assist local communities reduce their insurance rates through proactive community flood activities.
- **Emergency Response**—\$3.2 Million (\$445,000 One-Time). These augmentations are proposed to improve DWR's ability to predict and respond to flood events. Under the proposal, for example, the

department would improve reservoir operations coordination and expand the flood emergency training program.

- **Flood Protection Programs**—\$2.5 Million (One-Time Proposition 13 Bond Funding). This request will complete the Flood Protection Corridor Program, which funds nonstructural flood management projects that include wildlife habitat enhancement and/or agricultural land preservation.
- **Flood-Fighting Equipment** — \$465,000 (One-Time AB 142 funds). This request will purchase equipment for use in flood emergencies.

**STAFF RECOMMENDATION. 1) Staff recommends that the subcommittee approve the recommendations provided in the chart on the following page for the specific flood management budget proposals so that the entire package will be directed to conference committee.**

**2) Staff recommends that the subcommittee adopt budget bill language that requires all flood management projects to be approved by the Public Works Board.**

**3) Additionally, staff recommends the following BBL that would grant DWR authority to contract with the University of California for applied water research.**

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*Of the funds appropriated in this item, nothing shall prevent the department from contracting with the University of California to support applied research and independent technical advice and assistance in the planning and development of solutions to critical flood protection and water resources issues facing the State.*

PROGRAM ACTIVITY	Staff Recommendation
<b>Bay Delta Office</b>	
<p><b>January 10 Proposal</b></p> <p><b>CALFED Conveyance &amp; Water Quality Program Projects</b> \$5,875,000 in Proposition 13 and Proposition 50 funds to support 3.0 new permanent full-time positions and 1.0 existing position to be funded with State Water Project funds. Funding would support implementation of two components of the August 2000 CALFED Record of Decision; Conveyance and Water Quality. This proposal requests provisional language that enables funding appropriated for this proposal to be available for encumbrance through FY 2009-10.</p>	<p>Approved funding for one year / Denied Provisional Language 3/28/07</p> <p>Reopen and approve as budgeted</p>
<b>Division of Environmental Services</b>	
<p><b>April Finance Letter</b></p> <p><b>Critical Support for Pelagic Fish Action Plan</b> - 3 new positions (4 were requested) to be responsible for carrying out various environmental actions (investigations, scientific analysis, mitigation, monitoring, and restoration programs) required under State and federal statutes to protect species of concern in response to scientific data presented at the October 2006 Science Conference on the decline of pelagic organisms and the release of the December 2006 Pelagic Organism Decline Action Plan.</p>	<p>Approve as budgeted</p>
<b>Executive</b>	
<p><b>April Finance Letter</b></p> <p><b>Salton Sea Interim Restoration and Management</b> - \$2 million in Reimbursement Authority to support the State's obligations for Salton Sea restoration, impact mitigation, and monitoring as a result of the Colorado River Quantification Settlement Agreement (QSA) and State implementing legislation. This proposal would plan and undertake actions necessary to implement interim habitat to preserve as much historic wildlife species diversity and abundance as possible while long-term restoration is developed; limit future State liability for air quality management by coordinating mitigation development with Imperial Irrigation District; develop long-term monitoring programs for data needed for restoration planning and adaptive management; and facilitate continued public outreach and local stakeholder involvement. Interim measures and proposal funding are anticipated to be needed for up to five years before the long-term restoration actions could provide these benefits.</p>	<p>Approve as budgeted</p>
<p><b>May Revise</b></p> <p><b>Salton Sea Habitat Restoration Planning Reimbursements</b> - \$2.5 million in reimbursement authority to continue development of habitat restoration plans and related environmental documentation for the Salton Sea. The contract with Wildlife Conservation Board was extended to December 2007, so additional authority is needed in FY 2007-08.</p>	<p>Approve as budgeted</p>

PROGRAM ACTIVITY	Staff Recommendation
<b>Division of Fiscal Services</b>	
<p><b>January 10 Proposal</b>  <b>Prop 84 - Fiscal Coordination and Oversight</b>                      2 new positions to provide fiscal administration, coordination, and oversight for Proposition 84. Staffing and funding for this purpose will be needed over the life of the bond to provide compliance with the SAM and Government Code requirements for bond fund administration.</p>	<p>Approve as budgeted</p>
<b>Division of Flood Management</b>	
<p><b>January 10 Proposal</b>  <b>Flood Management Comprehensive Strategic Plan</b>                      \$11,985,000 (\$9,480,000 baseline and \$2,505,000 one-time), including support for 35 new positions and 2.5 existing positions as follows:</p> <ol style="list-style-type: none"> <li>1. Maintenance Area Formation - \$900,000 (General Fund)</li> <li>2. Channel Vegetation Management - \$800,000 (General Fund)</li> <li>3. Maintenance Area Reimbursement - \$1.5 million (Reimbursements)</li> <li>4. Emergency Response - \$7.6 million</li> <li>5. Flood Plain Management - \$8.1 million (General Fund)</li> <li>6. CALFED levees System, West Levee Improvement – 3 PYs (Water Project Funds)</li> <li>7. Flood Protection Programs - \$2.5 million (Prop 13)</li> </ol>	<p>Approve Budget bill allowing the department to Contract with the UC for applied science.</p> <ol style="list-style-type: none"> <li>1. Approve as budgeted</li> <li>2. Approve as budgeted</li> <li>3. Approve as budgeted</li> <li>4. Approve one-year funding, \$3.625 million</li> <li>5. Approve one year funding, \$3.1 million</li> <li>6. Approve as budgeted</li> <li>7. Approve as budgeted</li> </ol>
<p><b>January 10 Proposal</b>  <b>Prop 84 and Prop 1E - Evaluating and Improving the State's Flood Control System</b>                      52 new positions and \$369,870,000 to support eight programs which will evaluate and improve the State's existing flood control system:</p> <ol style="list-style-type: none"> <li>1. Delta Levees System Integrity - \$265 million (Prop 84)</li> <li>2. Sediment Removal Program - \$15 million (Prop 1E)</li> <li>3. Flood Control Project Subventions - \$174 million (Prop 84)</li> <li>4. Floodway/Flood Protection Corridor Programs - \$38.6 million (Prop 84)</li> <li>5. Floodway/Flood Protection Corridor Programs - \$296 million (1E)</li> <li>6. State-Federal Flood Control System Modification - \$ 170 million (Prop 1E)</li> <li>7. State-Federal Flood Control System Modification - \$ 30 million (Continuously Appropriated 84)</li> <li>8. Floodplain Evaluation and Delineation - \$25 million (Prop 84 Cont. Appropriated)</li> <li>9. California Flood Plan - \$6 million (Prop 84 Cont. Appropriated)</li> <li>10. New Feasibility Studies and Levee Evaluations - \$30 million (Prop 84 Cont. Appropriated)</li> </ol>	<p>(Send BCP to conference)</p> <ol style="list-style-type: none"> <li>1. Approve one year funding \$57.8 million</li> <li>2. Approve as budgeted</li> <li>3. Approve one year funding,\$100 million</li> <li>4. Approve \$38.6 million</li> <li>5. Approve \$</li> <li>6. Approve as budgeted</li> <li>7. Approve as budgeted</li> </ol>

PROGRAM ACTIVITY	Staff Recommendation
<p><b>January 10 Proposal</b></p> <p><b>Prop 1E - Systemwide Levee Evaluations and Repairs</b> - 23 new positions and \$100,000,000 to be used to begin conducting a systemwide evaluation of the State's levees and repair erosion sites where deficiencies are found.</p>	<p><b>Approve as budgeted</b> (Send BCP to conference)</p>
<p><b>January 10 Proposal</b></p> <p><b>Mid-Valley Area Levee Reconstruction Project</b> - \$874,000 (\$641,000 in Prop 1E funding and \$233,000 in Reimbursement Authority)  <b>American River Watershed, Folsom Dam Raise Project</b> - \$29,309,000 (\$20,232,000 in Prop 1E funding and \$9,077,000 in Reimbursement Authority)  <b>American River Watershed, Folsom Dam Raise Project, Bridge Element</b> - \$4,401,000 in Prop 1E funding  <b>Rock Creek-Keefer Slough Feasibility Study</b> - \$815,000 (\$327,000 in Prop 84 funding and \$488,000 in Reimbursement Authority)  <b>South Sacramento County Streams</b> - \$8,851,000 (\$6,233,000 in Prop1E funding and \$2,618,000 in Reimbursement Authority)  <b>American River Flood Control Project - Natomas Features</b> - \$3,740,000 in Prop 1E funding  <b>West Stanislaus County, Orestima Creek Feasibility Study</b> - \$755,000 in continuously appropriated Prop 84 funding</p>	<p><b>Approve as budgeted</b> (Send BCP to conference)</p>
<p><b>January 10 Proposal</b></p> <p><b>White River/Deer Creek Feasibility Study</b>\$577,000 (\$327,000 in Prop 84 funding and \$250,000 in Reimbursement Authority) to provide for a feasibility study to investigate alternatives for protecting the community of Earlimart, State transportation facilities, railroads, a federal aqueduct, local infrastructure, and nearly 300 square miles of predominantly farmland from recurring flooding.</p>	<p><b>Approve as budgeted</b> (Send BCP to conference)</p>
<p><b>January 10 Proposal</b></p> <p><b>Frazier Creek/Strathmore Creek Feasibility Study</b> \$577,000 (\$327,000 in Prop 84 funding and \$250,000 in Reimbursement Authority) to provide for a feasibility study to protect the community of Strathmore, State transportation facilities, railroads, a federal aqueduct, and local infrastructure from recurring flooding. The study cost will be shared with the U.S. Army Corps of Engineers (Corps) and Tulare County.</p>	<p><b>Approve as budgeted</b> (Send BCP to conference)</p>

PROGRAM ACTIVITY	
<p><b>April Finance Letter</b></p> <p><b>West Sacramento Project</b> - Cost-share levee repair and levee investigation with the Corps. \$8,510,000 from Prop 1E and \$1,811,000 in Reimbursement Authority for the West Sacramento Project. This funding request includes a \$6.0 million advance to the US Army Corps of Engineers. Also, \$428,000 from the General Fund for payment of an outstanding invoice from the Corps. To offset this increase, a reversion of \$428,000 to the GF from the Folsom Dam Modifications Project is necessary.</p>	<p><b>Approve funding as budgeted</b>  <b>Reject BBL that relieves DWR from Public Works Board Requirements for this project.</b>                      (Send BCP to conference)</p>
<p><b>April Finance Letter</b></p> <p><b>Capital Outlay Reappropriation, Extension of Liquidation period and Reversion for various funds</b>                      These technical changes are critical to various projects which cannot be completed by June 30, 2007.</p>	<p><b>Approve as budgeted</b>                      (Send BCP to conference)</p>
<p><b>April Finance Letter</b></p> <p><b>Bond Funding for Critical Flood Control Activities</b>                      Delete \$200 million transfer from Prop 1E to the General Fund and instead, Revert \$168 million in unspent AB142 funds to the GF and Revert \$16 million from unspent GF that were appropriated in 06/07 for Flood Control Subventions.</p> <p><b>In addition, appropriate:</b>                      \$3.3 million Prop 84 funds for Enhanced Flood Response &amp; Emergency Preparedness (Support)                      \$13 million from Prop 1E and \$2 million from Pro 84 for the Sediment Removal Program (Support)                      \$3.4 million from Prop 1E for State-Fed Flood Control System Modification (Support)                      \$39.84 million from Prop 84 for Critical Repairs for Nonproject Levees (Support \$5 M &amp; LA \$34.84)                      \$9.96 million from Prop 84 for New Feasibility Studies and Levee Evaluations (LA)                      \$65 million from Prop 1E for Systemwide Levee Evaluations &amp; Critical Erosion Repairs (Cap Outlay)                      \$7 million from Prop 1E for East Borrow Canal of the Sutter Bypass; Weir 2 and Willow Slough (CO)                      \$4.5 million from Prop 1E for Sutter Pumping Plants Control Structure                      \$20 million from Prop 1E for State-Fed Flood Control System Evaluation (CO)</p>	<p><b>Approve Finance Letter</b>                      (Send BCP to conference)</p>

PROGRAM ACTIVITY	Staff Recommendation
<p><b>May Revise</b></p> <p><b>Snowmelt Runoff Forecasting Program</b>                      Shift \$640,000 from Program 10 (Continuing Formulation of the CA Water Plan) to Program 30 (Public Safety and Prevention of Damage). This will correct an error in the Governor’s Budget.</p>	<p><b>Approve May Revision</b>                      (Send BCP to conference)</p>
<p><b>May Revise</b></p> <p><b>Flood Expenditure Provisional Language</b>                      Request new provisional language for certain capital outlay projects to be funded with Prop 1E bonds. These provisions are necessary because the state is proceeding with the planning and repair efforts in these projects without an initial federal or local cost-share to enhance the speed of repairs and/or to allow for a more comprehensive planning effort that is not restricted to one or a few local entities.</p>	<p><b>Approve May Revision</b>                      (Send BCP to conference)</p>
<p><b>May Revise</b></p> <p><b>Extension of Liquidation – Yuba Feather Flood Protection Program</b>                      Request to extend the liquidation of approximately \$11 million in Prop 13 bond funds encumbered in grant agreements with the Yuba County Water Agency and Colusa Basin Drainage District for feasibility studies.</p>	<p><b>Approve May Revision</b>                      (Send BCP to conference)</p>
Division of Planning and Local Assistance	
<p><b>January 10 Proposal</b></p> <p><b>All American and Coachella Canal Lining Projects</b>                      \$82,022,000 (\$47.282 million in General Funds and \$34.74 million in Proposition 84 Bond Funds) for augmentation of local assistance funding for canal linings and other groundwater conjunctive use projects considered essential to reduce the State’s Colorado River water use to its basic apportionment of 4.4 million acre-feet in normal years.</p>	<p><b>Approve as budgeted</b></p>
<p><b>January 10 Proposal</b></p> <p><b>CALFED Storage Program - Surface Storage</b>                      \$3.760 million in Proposition 50 bond funds (Chapter 7, Section 79550(a)) to support 21.8 existing positions (20.7 PYs) to continue feasibility studies and environmental documentation for three potential surface storage projects identified in the August 2000 CALFED Record of Decision.</p>	<p><b>Reject Proposal</b></p>

PROGRAM ACTIVITY	Staff Recommendation
<p><b>January 10 Proposal</b></p> <p><b>Prop 84 – Integrated Regional Water Management; Prop 1E – Stormwater Flood Management</b>                      Over 10 years (FYs 2007-08 to 2016-17), of \$965 million pursuant to Chapter 2 of Proposition 84 (The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006) and \$289.5 million pursuant to Section 5096.827 of Proposition 1E (The Disaster Preparedness and Flood Prevention Bond Act of 2006).</p>	<p><b>Approve the IRWM proposal, minus Proposition 1E funding for Stormwater grants pursuant to legislation.</b></p> <p><b>Approve the Proposition 1E Stormwater funding pursuant to legislation</b></p>
<p><b>January 10 Proposal</b></p> <p><b>Prop 84 - Chapter 2, Section 75029, Water Quality Program</b>                      1.0 new permanent and 3 new temporary help positions and \$125,450,000 (\$25,086,000 in FY 07-08) for a 5-year-program to implement Chapter 2, Section 75029 of Proposition 84, Delta Water Quality Program. The funds will be administered by DWR and used to fund projects to improve water quality in the San Joaquin River-Sacramento River Delta.</p>	<p><b>Approve as budgeted for one year only.</b></p>
<p><b>January 10 Proposal</b></p> <p><b>Prop 84 - Multi-Benefit Planning and Feasibility Studies</b></p> <ol style="list-style-type: none"> <li>1. Urban Ag Cons Water Conservation - \$7.5 million (Prop 84)</li> <li>2. Surface Storage Studies - \$12 million (Prop 84)</li> <li>3. Flood Management/Water Supply - \$5.3 million (Prop 84)</li> <li>4. Water plan Recommendations - \$15 million (Prop 84)</li> <li>5. Delta Vision – \$2 million (prop 84)</li> </ol>	<ol style="list-style-type: none"> <li>1. Approve 1-year funding</li> <li>2. Reject Proposal</li> <li>3. Approve 1-year funding</li> <li>4. Approve 1-year funding</li> <li>5. Approve as budgeted</li> </ol>
<p><b>January 10 Proposal</b></p> <p><b>San Joaquin River Restoration Reimbursable Authority</b>                      4.0 new positions, two temporary help positions, and \$57,900,000 in State reimbursable authority over five years. Funding will be provided by Resources Agency from Proposition 84 funds from Chapter 5 (Protection of Rivers, Lakes and Streams), Section 75050(n) over five years. \$12,684,000 of authority is requested in FY 2007-08 for the purpose of implementing a court settlement to restore flows and naturally-reproducing and self-sustaining populations of salmon to the San Joaquin River between Friant Dam and the Merced River.</p>	<p><b>Approve as budgeted with BBL</b></p>

PROGRAM ACTIVITY	Staff Recommendation
<p><b>January 10 Proposal</b></p> <p><b>Prop 84 - Urban Streams Program</b>                      \$16,470,000 in Local Assistance Funding and \$900,000 in State Operations funding from Proposition 84, Chapter 5, Section 75050(e) over 5 years. In FY 2007-08, \$150,000 in SO funding for 1.2 existing positions and \$9,100,000 in LA funding is requested. The Program provides technical assistance and grants for communities who want to address local flooding and erosion problems, enhance the environmental values and promote community stewardship of streams.</p>	<p><b>Approve one year funding</b></p>
<p><b>Office of Water Use Efficiency and Transfers</b></p>	
<p><b>April Finance Letter</b></p> <p><b>Water Conservation in Landscaping Act- AB 1881</b>                      \$400,000 and 2 new positions to implement the Water Conservation in Landscaping Act of 2006 (AB 1881). This proposal covers the funding needs for the first three years of this program, which will consist of \$400,000 in Fiscal Year 2007-08 and \$300,000 in each of the following two fiscal years. Funding will be used to update the model efficient landscape ordinance. DWR will work with the Energy Commission to adopt, by regulation, performance standards and labeling requirements for landscape irrigation equipment to reduce the wasteful, uneconomic, inefficient, or unnecessary consumption of energy or water.</p>	<p><b>Approve as budgeted with SRL</b></p>
<p><b>Division of Safety of Dams</b></p>	
<p><b>January 10 Proposal</b></p> <p><b>San Clemente Remediation-CEQA</b> \$200,000 of reimbursable authority to fund the DPLA/San Joaquin District for environmental services required to complete the EIR for San Clemente Dam. The cost of services will be reimbursed from California American Water Company, the owner of the dam. The dam was determined to be seismically unstable and needs to be remediated. DWR is the Lead Agency under CEQA for the preparation of an EIR for the remediation of the dam.</p>	<p><b>Approve as budgeted</b></p>

<b>PROGRAM ACTIVITY</b>	<b>Staff Recommendation</b>
<b>Various Divisions</b>	
<p><b>April Finance Letter</b></p> <p><b>Reappropriation, Extension of Liquidation period and Reversion for various funds</b>                      These technical changes are critical to various projects which cannot be completed by June 30, 2007.</p>	<p><b>Approve Finance Letter</b></p>