

CALFED Governance Actions
4/25/00

State and federal agencies and stakeholders have spent several years evaluating and debating the issue of how the CALFED Program will be governed. Concerns have revolved around the following issues: who will make program and funding decisions for each program, how will the program maintain balance and integration between the different programs, what governing structure will be in place to oversee the program, and what will be the role and responsibilities of existing agencies?

As CALFED moves from the planning phase to an implementation phase, all interests have agreed that the current informal Policy Group structure is not effective. Instead a more formal structure is needed to provide program integration, coordination, and balance between the program elements (drinking water quality, ecosystem restoration, levees stability, and water management).

In coordination with state and federal agencies and stakeholders, CALFED has developed the attached "CALFED Governance Principles". The following recommended actions embody and summarize key aspects of the Principles.

1. **Propose Establishment of a New Joint State Federal Commission.** The state and federal governments propose establishment of a joint commission to provide program direction and oversight of the CALFED Bay Delta Program as described in the Final EIS/R and implementing documents. A joint commission provides the optimal structure for achieving a strong state and federal partnership to implement the CALFED Program (Principle 1). A joint commission would maintain a high level of visibility in both the state and federal governments which will help provide program funding, agency coordination, and policy support over the 30 year life of the program. State and federal lawyers have conducted a preliminary review of the legal constraints of a joint commission. While additional review is needed, at this time a joint commission has not been ruled out on legal grounds. To establish a joint commission, a federal-state compact would be negotiated by the federal and state executive branches and would require federal and state legislation to authorize and fund.

If after additional review, a joint commission proves to have significant and unmanageable legal or policy barriers, a state commission with federal participation should be established. State legislation would be needed to establish the commission and authorize federal members on the commission. Federal legislation would authorize the CALFED program, mandate program coordination, and require federal agency participation as members of the state commission.

2. The Commission should have veto and approval authority over CALFED Programs. To ensure that the CALFED programs are implemented consistent with the CALFED Final EIS/R and implementing documents, a new Commission should have sufficient authority over certain program actions and funds (Principles 6 & 7). The authority should at a minimum include veto and approval authority. The commission would not exercise or supplant any regulatory authorities (Principle 6).

State and federal agencies are in the process of identifying which programs and funding are "primary CALFED programs" and therefore should be subject to commission review and approval. Based on an initial review it is expected that the CALFED programs (drinking water quality, ecosystem restoration, levee stability, and water management) will be funded, managed and implemented by as many as 15 different state and federal agencies (Principles 10-13). Therefore it is critical that a centralized commission have more than just advisory and coordinating responsibility, but that they have authority to redirect programs to ensure consistency with the CALFED objectives, and ensure integration between CALFED programs.

The CALFED Governance Principles

- Principle 1:** *Federal/State Partnership. The CALFED Program, as defined in the final PEIS/R and accompanying documents, should be carried out through a State and Federal government partnership.*
- Principle 2:** *Accountability. There should be a clear point of, and process for accountability of the Program to the Legislature, the Congress, and the public.*
- Principle 3:** *Commission. A new Commission should be created to direct efforts to achieve CALFED Bay-Delta Program goals and objectives.*
- Principle 4:** *Membership. The membership of the Commission should be made up of State, Federal, tribal and public members. Public members should represent a broad array of interested constituencies. State and federal members should be representatives at the highest level of the agency organization.*
- Principle 5:** *Leadership. The governing structure and authorities of the Commission should be designed to attract effective leadership.*
- Principle 6:** *Changes in Authorities. The Commission will not exercise or supplant any regulatory authorities. However, changes in specified program and funding authorities should be made in legislation to consolidate or coordinate management of each Program Element.*
- Principle 7:** *Commission Responsibilities. The Commissioners should serve as the decision-making body for the CALFED Bay-Delta Program, and the Executive Director and Commission staff should be responsible for program direction and oversight. Responsibility for program direction and oversight should be retained by the Commission in order to reduce fragmentation of responsibility and accountability, and maximize coordination and integration among the Program Elements.*
- Principle 8:** *Agency/Tribal Participation. The Commission should establish a process to support participation and coordination with agencies (federal, state, and local) and tribes involved in and affected by the CALFED Program who are not members of the Commission. The Commission should facilitate government -to- government consultation with the Tribes.*
- Principle 9:** *Public Involvement. The Commission's meetings should be open and public, and the Commission should seek ways to maximize public*

knowledge of, and involvement in, its work. The Commission should support involvement in the Program at a community-based level.

- Principle 10:** *Program Management. Program management for each of the program elements should be specified in legislation establishing the Commission. Each program element should be evaluated to determine the appropriate entity for assuming program management functions. Responsibility for program management will vary between program elements depending on the nature of the program and actions, the expertise of agencies, and the ability of the agency to manage the programs without significant conflicting mandates.*
- Principle 11:** *Comparable Authority over Program Elements. Each of the Program Elements should have the same degree of autonomy from, as well as the same degree of accountability to, the Commission. For each Program Element, the Commission should exercise a comparable degree of authority over specified funding and programs.*
- Principle 12:** *Funding. Funding for implementation of the CALFED Program should be appropriated directly to the Commission for those activities to assigned to the Commission. For CALFED programs managed by a State or Federal agency, funding for the program should be appropriated directly to that agency, with control language requiring Commission review, coordination, and approval of program plans and priorities.*
- Principle 13:** *Crosscut Budget. For those funds and programs not under Commission approval but which are related to CALFED (to be specified in an interagency MOU), the appropriate agencies should participate in preparing an annual Crosscut Budget to ensure coordination with the CALFED Program.*
- Principle 14:** *Ecosystem Restoration Program(ERP). Due to the complexity and size of the ERP, there should be significant focus and accountability given to its management. A new ERP entity, under the authority of the Commission, should manage the ERP.*
- Principle 15:** *Legislative Reporting. The Commission should serve as the focal point for contact on the CALFED Program with Congress and the Legislature, and should provide annual status reports on the Program.*

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CALFED Bay-Delta Program Stage 1 Projected Expenditures¹ (\$ in millions)											
Program Element	2000	2001	2002	2003	2004	2005	2006	Total Cost	Fed²	State²	Other²
Ecosystem Restoration	\$197	\$195	\$156	\$124	\$124	\$124	\$124	\$1,044	\$452	\$452	\$140
Water Use Efficiency	\$31	\$62	\$299	\$641	\$962	\$963	\$963	\$3,922	\$1,061	\$1,061	\$1,800
Water Transfers	\$2	\$3	\$3	\$2	\$2	\$1	\$1	\$15	\$7.4	\$7.4	-
Watershed Management	\$40	\$40	\$46	\$46	\$46	\$45	\$40	\$300	\$138	\$138	\$23
Water Quality	\$32	\$52	\$118	\$143	\$150	\$149	\$149	\$793	\$259	\$259	\$269
Levees ³	\$25	\$84	\$78	\$82	\$45	\$65	\$65	\$444	\$142	\$88	\$34
Storage ⁴	\$17	\$143	\$205	\$256	\$345	\$393	\$484	\$1,842	see footnote 2		
Conveyance	\$20	\$60	\$74	\$127	\$235	\$275	\$256	\$1,047	\$286	\$464	\$294
CALFED Science Program	\$15	\$35	\$35	\$50	\$50	\$50	\$50	\$300	\$150	\$150	-
Total	\$377	\$674	\$1,014	\$1,471	\$1,959	\$2,065	\$2,132	\$9,706	\$2,045	\$2,169	\$2,420

¹ This table provides estimates of outlays by year. It does not represent requested budgets for each budget year. Budget year information will be provided in future tables.

² Exact share of costs will depend on the specific projects that are implemented, and will vary year to year. Initial years will be heavily funded by federal and state dollars.

³ Total cost includes the Suisun Marsh Levee Program, which provides substantial ecosystem, water quality, and flood control benefits. Cost shares shown here do not include the Suisun Marsh Program.

⁴ Storage cost-sharing will depend on allocation of costs and identification of beneficiaries for individual projects.

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