

STATUS OF CATEGORY III IMPLEMENTATION

Presented to CALFED

October 19, 1995

Category III Implementation -- Overview

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- Review Accomplishments to Date
- Category III MOU Signatories
- Category III Institutional Design
- Status Report on Funding

What's Being Accomplished in 1995?

	<u>STATUS</u>
① Identify and Approve Early-Start Projects	<input checked="" type="checkbox"/>
② Finalize Short-Term Implementation Plan	<input checked="" type="checkbox"/>
③ Convene Steering Committee	<input checked="" type="checkbox"/>
④ Identify Potential Funding Sources	<input checked="" type="checkbox"/>
⑤ Develop CUWA Strawman Funding Approach	<input checked="" type="checkbox"/>
⑥ Start Implementing Early-Start Projects	<input checked="" type="checkbox"/>
⑦ Finalize MOU for Short-Term Cat. III Activities	<input checked="" type="checkbox"/>
⑧ Initiate Develop. of Long-Term Cat. III Instit.	<input checked="" type="checkbox"/>
⑨ Initiate Development of Crediting Mechanisms	<input type="checkbox"/>

Category III Short-Term MOU

- Signed Commitment:
 - California Urban Water Agencies
 - Contra Costa Water District
 - East Bay Municipal Utility District
 - Santa Clara Valley Water District
 - San Diego County Water Authority
 - San Francisco Public Utilities Commission
 - San Luis Delta Mendota Water Authority
 - Metropolitan Water District of SC
 - Northern California Water Association
 - Pacific Coast Fed. of Fishermen's Assoc.

Category III Short-Term MOU (cont.)

- Letter of Intent/Expressed Intent:
 - CALFED Agencies:
 - EPA, USFWS, NMFS, USBR
 - DFG, DWR, SWRCB
 - The Nature Conservancy
 - The Bay Institute
 - Natural Heritage Institute
 - Environmental Defense Fund
 - California Sportfishing Protection Alliance

Category III Short-Term MOU (cont.)

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- Accord Signatories Not Yet Signed:
 - Tulare Lake Basin Water Storage District
 - Kern County Water Agency

Category III Institutional Design Strawman 7

- Institutional Design Proposal Will Address:
 - Scope of the Institution
 - Decision Making Process
 - Housing of the Institution
 - Funding Mechanisms
 - Measures of Success
 - Mgmt of Funded Projects/Programs
- Present Recommendations at CALFED's 12/14 Mtg

Status Report on Funding

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- Contributions limited to Metropolitan's initial \$10 million
- \$4 million of the above monies are committed to the 9 approved projects
- Northern CUWA agencies are giving top priority to addressing additional funding
- No specific additional funds are pledged at this time
- Funding is still running ahead of projects

Critical Steps to Ensure Category III Financial Stability

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- CALFED/Stakeholder partnership at high policy level
- Issues to be addressed:
 - New and reprioritized state & federal funding
 - Crediting mechanisms for water user contributions
 - Permitting assurances for projects
 - Permanence as a program

Critical Steps to Ensure Category III Financial Stability (cont.)

- Opportunities to be realized:
 - Securing State and federal contributions will ensure a healthy Cat. III fund that will enable large-scale restoration activities to become reality
 - Providing crediting mechanisms will give water users an incentive to contribute Cat. III funding
 - Providing assurances will bring unwilling parties to the table willing to take the necessary steps to mitigate their impacts
 - Establishing Cat. III as a permanent program will foster the credibility it needs to be successful