

Structure of Pref.

AITS



Memorandum

Date: August 6, 1997

To: CALFED Policy Group

From: Lester A. Snow
Executive Director

Subject: Cost Sharing Agreement

Summary

A team of CALFED agency representatives and staff have been preparing a State/Federal Cost Sharing Agreement since early 1997. The draft Agreement has reached an acceptable form for final policy and legal review. CALFED Policy Group concurrence is requested in forwarding the draft Agreement to the Parties for final review.

Action Item

General concurrence is needed from the CALFED Policy Group that the draft Cost Sharing Agreement is in acceptable form for final policy and legal review.

Discussion

In order to comply with Proposition 204 and the Bay Delta Act, a draft Agreement relating to cost sharing between the State and the United States for interim ecosystem restoration has been prepared by CALFED Bay-Delta Program and CALFED agency staff. Although there has been some disagreement over the technical necessity of such an agreement based on differing interpretations of the language in the two acts, a decision was made that such an agreement was highly useful whether or not it may be legally required at this point.

The draft Agreement establishes equal cost shares for the State and the United States for interim ecosystem restoration, sets forth a process for determining which projects to implement, and limits credit under the Agreement to expenditures on projects that are

CALFED Agencies

California
The Resources Agency
Department of Fish and Game
Department of Water Resources
California Environmental Protection Agency
State Water Resources Control Board

Federal
Environmental Protection Agency
Department of the Interior
Fish and Wildlife Service
Bureau of Reclamation
U.S. Army Corps of Engineers

Department of Agriculture
Natural Resources Conservation Service
Department of Commerce
National Marine Fisheries Service

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approved by CALFED agencies as a group. The Agreement also contains additional language necessary to create a valid contract.

It is recognized that the initial funding sources for the State (\$450 million) and the United States (\$430 million) are not exactly equal, but it is expected that amounts expended will stay roughly equal. It is also expected that any expenditures made under this Agreement will be considered in the funding package for the long-term solution, and any differences in expenditure levels for interim ecosystem restoration will be resolved at that point.

The draft Agreement is attached.

Attachment