

M e m o r a n d u m

Date: July 8, 1998

To: CALFED Policy Group

From: Lester A. Snow
Executive Director

Subject: CALFED Administrative Issues Update

Summary

This item is a status update of several administrative issues we have discussed in the past, including the need for an amendment to extend the date and cost of the existing State/Federal Agreement which supports the CALFED Bay-Delta Program, and a brief summary of our current thoughts regarding Program structure.

Detailed Discussion

In the past several months I have brought to you a number of administrative issues which are in need of attention. Included in these administrative issues are a need to address the Program's existing state/federal contract (establishing the Bay-Delta Program) which is set to expire in May 1999 and constrain the Program's ability to operate without a more formal, long-term arrangement.

I have proposals to address both of these issues.

Existing State and Federal CALFED Program Contract (Contract No. B-59953-02)

Per your instructions of several months ago, we have drafted a contract amendment to deal with the end date of the current agreement (May 17, 1999). As you will note in the attached Draft Amendment -- following your guidance -- the new proposed contract and date is December 31, 2000. Proposed contract amendment language covers funding through FY 1999. Henceforth, there will be an annual budget review and approval process defining

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

budget needs -- As FY's 2000 and 2001 workplans and budget are developed, a final contract amendment will be proposed to cover the last stage of the contract. (See attachment.)

Proposal on Long-Term Program Structure

The current CALFED Bay-Delta Program does not exist as a separate legal entity. Program management cannot directly hire staff, execute contracts, or perform many of the other functions normally associated with a governmental entity. These limitations have constrained the Program's ability to conduct business in a number of ways and creates an uncertainty both for stakeholders interested in Program implementation and for Program staff.

While much discussion has taken place in a variety of forums regarding ecosystem institutions, little has been developed regarding basic Program planning support structure. My premise is two-fold:

1. The basic arrangements of CALFED agency cooperation should be continued, and
2. Arrangements can be made to accomplish this goal without creating an independent agency and with limited legislative action at either the state or federal level.

Program staff, working with the state and federal attorneys, have a concept for how to proceed.

State Joint Powers Authority with Federal Participation through Contract Arrangements

The essential concept is for the state CALFED agencies to form a Joint Powers Authority (JPA), or a similar state entity, to administer the CALFED Program. Federal participation would continue through contracts to the state JPA and interagency agreements for staff support. Powers of the JPA would be limited to the planning, coordination and administration of the Bay-Delta Program and ensuing final Program alternative. Basically, these are the same functions being done today by the Program staff with the added ability -- through the JPA -- to hire and contract directly for goods and services. Additional benefits with a more formal arrangement include added certainty for stakeholders and staff as to the future of this significant effort to resolve long-term Bay-Delta issues.

While other arrangements are conceivable (e.g., state/federal JPA, creation of a new state or federal agency or instrument), the proposal at hand appears to be the simplest way to achieve the desired ends.

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Staff are working on describing this proposal in some detail, along with an action list needed to accomplish the transition. We will schedule this item for the August Policy meeting.

FYI: Program Relocates

Program staff now occupy space on several floors of the Resources Building. While we have made the arrangement work for us up to now, it has not been conducive to efficient operation or staff cohesion. DWR would now like use of the space we occupy on the 11th floor and is finalizing an interagency agreement with the State Controller's office to sub-lease sufficient space (on a single floor at 300 Capitol -- next to the river) for all Program staff.

We expect to move to the new office sometime in late fall.

Action

This item is for information/discussion only.

Attachment