

**Restoration
Coordination**

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E-004804



Memorandum

Date: January 28, 1999

To: CALFED Policy Group

From: Lester A. Snow

*K. Howard
for LAS*

Subject: Restoration Coordination

Summary

Approximately \$72,930,000 is available for ecosystem restoration projects and programs in 1999. The majority of funds are available from the Federal Bay-Delta Act, with additional contributions from state Proposition 204. The Integration Panel and BDAC Ecosystem Roundtable have prepared recommendations for funding designated actions for ecosystem restoration in 1999. Fifteen projects were considered, with thirteen recommended for funding. The total cost of the designated actions recommended for funding is \$49,158,000. Of the balance of funds available in 1999, approximately \$23,772,000 will be spent on projects identified through public solicitation. The 1999 Proposal Solicitation Package (PSP) for ecosystem restoration projects and programs will be available to the public on February 16, 1999. At the CALFED Policy Group meeting, staff will provide an overview of the program, a description of the designated actions, and a description of the priorities and criteria for funding in the PSP.

Action -- Decision Item

The Policy Group is being asked to recommend approval of the proposed designated actions and the priorities and funding level for the PSP.

Detailed Discussion

Background. The December 15, 1994 Bay-Delta Accord included a commitment to develop and fund non-flow related ecosystem restoration activities to improve the health of the Bay-Delta ecosystem. This funding source and commitment is commonly referred to as

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

Category III. The Category III Steering Committee was formed to administer previous rounds of Category III funding. In 1996, the administration function for Category III funds was shifted to the CALFED Bay-Delta Program's Restoration Coordination Program, which receives input from the Ecosystem Roundtable, the Bay-Delta Advisory Council (BDAC) and the general public. The Ecosystem Roundtable is a subcommittee of BDAC specifically created to provide input from a broad cross section of stakeholder interests to the Restoration Coordination Program. The Bay-Delta Advisory Council consists of over 30 representative California stakeholder groups. BDAC is chartered under the Federal Advisory Committee Act and provides input to the overall CALFED Program.

The Restoration Coordination Program also has the responsibility of improving coordination among fish and wildlife restoration programs in the Central Valley. The administrative function was assigned to CALFED to ensure that Category III programs and projects were well integrated with other restoration programs and were consistent with the long-term Ecosystem Restoration Program and the Strategic Plan for Ecosystem Restoration.

To date, the Category III program which is now administered under CALFED's Restoration Coordination Program, has received more than 600 proposals and has funded 173 projects for a total of approximately \$192 million. Types of projects funded have included fish screens, fish ladders, land acquisition, habitat restoration and focused research and monitoring which are designed to provide information to improve future restoration efforts. Previous funding sources have included contributions from the California Urban Water Agencies, Proposition 204 state bond funds, funding from the Federal Bay-Delta Act, and federal Environmental Protection Agency watershed funding. For 1999, approximately \$72,930,000 are available for projects with the majority of funds available from the Federal Bay-Delta Act, with additional contributions from state Proposition 204 (see attachment 1).

Designated Actions. CALFED has the discretion of directing funds towards specific actions (designated actions) which it believes helps the program achieve its long-term ecosystem restoration goals or to receive proposals through a public solicitation process. To be considered as a designated action potential projects were required to meet three criteria:

- ◆ the project was considered to be a very high priority with substantial investment already made;
- ◆ additional funding in FY 99 would result in substantial progress towards ecosystem restoration goals;
- ◆ the project was ready to go and the implementing entity had been identified.

In Fall 1998, 15 actions were identified as potential designated actions. Proposals were requested from the project proponents. The Integration Panel considered the proposals at its January 20 and 22 meetings. Thirteen proposals were recommended for funding at a total cost of approximately \$49,158,000 (attachment 2). The Ecosystem Roundtable will consider the Integration Panel's recommendations at their February 3, 1999 meeting. The attached table (attachment 3) summarizes the designated actions and the conditions associated with the recommendation for funding.

Policy Issues. Four specific policy issues have been identified:

- DA # 1 - Battle Creek. By what date should the MOU be signed in order for funding to proceed for this project?
- DA #4 - Sacramento River. CALFED will be funding a line item from the CVPIA 2001 budget. Is there a mechanism for the dollars to be exchanged?
- DA #4 - Sacramento River. Is there an opportunity to acquire Anderson Cottonwood Irrigation District (ACID) surplus water as in-kind cost share for this project? This evaluation is not a condition for the ACID project, but it would take advantage of an opportunity to evaluate ACID's surplus water and provide a fair share basis to acquire this water in part or whole for ecosystem purposes.
- DA # 13 - East Delta Habitat Corridor. Based on recent negotiations and agreements with the property owner, consider additional funding of \$572,444 for Task 2 and additional land acquisition costs.

Proposal Solicitation Package. Of the remainder of funds available for projects, approximately \$23,772,000 will be spent on projects identified through public solicitation. The 1999 Public Solicitation Package for ecosystem restoration projects and programs will be available to the public on February 16, 1999 (see attachment 4). The project solicitation will close on April 16, 1999 with recommendations on project funding scheduled for June 1999. Projects will be considered which address problems in the Bay-Delta ecosystem as identified in the ERP and Strategic Plan. Funding provided for this PSP will be directed toward programs and projects which reduce conflicts in the Bay-Delta ecosystem, focus on high risk species and habitats, and provide broad ecosystem benefits.

Projects will be considered for funding in nine topic areas:

- Fish Passage/Fish Screens
- Floodplain Management and Habitat Restoration
- River Geomorphology
- Local Watershed Stewardship
- Water Quality
- Improved Instream Flows
- Introduced Species
- Improved Fish Management and Hatchery Operations
- Environmental Education

Proposals will be reviewed using a two-step technical evaluation(see attachment 5). First, Technical Review Panels made up of state, federal and non-agency representatives with the necessary expertise will be formed to evaluate and score proposals submitted under each topic. The panels will use the standardized criteria to evaluate and score proposals. The Integration Panel then evaluates recommendations from the Technical Review Panels for all qualified proposals received, and identifies any conflicts or synergy between Technical Review Panel recommendations for each topic area, checks for duplicate proposals submitted under other topics, identifies unmet restoration needs, and assures the overall integrity of the technical review process. The Integration Panel forwards a recommended package of qualified proposals to the Ecosystem Roundtable. All submitted proposals and evaluation scores become public information and will be available for review after the 1999 Integration Panel completes its review.

Integration Panel recommendations for funding will be reviewed by the Ecosystem Roundtable and the Bay-Delta Advisory Council (BDAC). The CALFED member agencies, acting through the CALFED Policy Group, will make final funding recommendations to the Secretary for Resources and the Secretary of the Interior.

Attachments