

**Information Item**

**President's Fiscal Year 2000 Budget language  
regarding the CALFED Bay-Delta Program**

## California Bay-Delta Restoration

*from President's Budget*

**LOCATION:** San Francisco Bay/Sacramento-San Joaquin Delta in central California.

*FY 2000*

**DESCRIPTION/JUSTIFICATION:** The Bay-Delta system is critical to California's economy because the two rivers that flow into the Bay-Delta provide potable water for two-thirds of California's homes and businesses and irrigation for more than seven million acres of farmland on which 45 percent of the nation's fruits and vegetables are grown. The Bay-Delta system also provides habitat for 120 fish and wildlife species, some listed as threatened or endangered.

The CALFED Bay-Delta Program was established in May 1995 for the purpose of developing a comprehensive, long-term solution to the complex and interrelated problems in the Bay-Delta. The program's focus is on the health of the ecosystem and improving water management. In addition, this program addresses uncertain water supplies, aging levees, and threatened water quality.

A consortium of Federal and State agencies participate in the program. Federal agencies include: U.S. Department of Interior - Bureau of Reclamation, Bureau of Land Management, Fish and Wildlife Service, U.S. Geological Survey; Environmental Protection Agency; U.S. Department of Agriculture - U.S. Forest Service, Natural Resources Conservation Service; U.S. Department of Commerce - National Marine Fisheries Service; the U.S. Army Corps of Engineers; and the Department of Energy - Western Area Power Administration. State Agency involvement includes oversight by the California Resources Agency; and the participation of the State Department of Water Resources, the Department of Fish and Game, and the California Environmental Protection Agency.

In November 1996, the President signed the California Bay-Delta Environmental Enhancement Act, which authorizes \$143.3 million per year in additional Federal funding for Bay-Delta ecosystem restoration activities in FY 1998, FY 1999, and FY 2000. The authorization became effective later that month when California voters approved Proposition 204, which authorizes a \$995 million bond issue to cover State cost-sharing activities to restore the Bay-Delta ecosystem and for other water resources activities in California. The State and Federal Governments signed an agreement in January 1998, specifying an equal sharing of the ecosystem restoration costs.

CALFED released a draft Programmatic Environmental Impact Statement (PEIS) for the Bay-Delta Program in March 1998, accompanied by a "Phase II Report" that described three basic options for an overall solution. In December 1998, CALFED released a Revised Phase II Report, which narrows the options and describes a comprehensive framework for restoring ecological health to the Bay-Delta, providing a more reliable water supply for all uses, stabilizing levees, and improving water quality. Implementation of the overall Bay-Delta Long-term Plan would take up to 30 years to complete.

The Revised Phase II Report summarizes the eight elements of the Program (i.e., Long-term Levee Protection, Water Quality, Ecosystem Restoration, Water Use-efficiency, Water Transfers, Watershed Management, Storage, and Conveyance) and their interrelationships. The Report also includes a draft implementation plan which describes proposed actions for the first seven years and a comprehensive monitoring and evaluation program. Among the innovative aspects of the framework is a Water Management Strategy that utilizes a broad range of water management tools to meet Bay-Delta Program objectives for water supply reliability and other areas; and an "Environmental Water Account" concept that could protect fisheries and provide more certainty for water users by allowing greater flexibility in operating Federal and State water projects.

The FY 1998 program addressed high priority, early action ecosystem restoration items that could be undertaken, consistent with the Council on Environmental Quality (CEQ) regulations, prior to completion of the EIS/EIR. These included projects that would implement the common elements of the alternatives for the long-term Bay-Delta solution under consideration in the EIS/EIR. The priority areas included fish screening and passage, habitat acquisition and restoration, exotic species management, and monitoring of ecosystem health. The project selection process begun in FY 1998 is described in this section. The Department of the Interior, on behalf of CALFED, is providing quarterly reports consistent with Congressional direction. The FY 1999 program continues early action ecosystem restoration items.

The FY 2000 budget proposes funding of \$75 million for ecosystem restoration efforts that will build on the FY 1998 and FY 1999 programs, by monitoring prior projects, initiating, and implementing new projects approved by CALFED and the Secretary. In addition, \$20 million is requested for non-ecosystem restoration activities authorized under various current authorities, such as water use efficiency, water quality, groundwater storage, levees, conveyance, and watershed management that would be common to any version of the overall Bay-Delta Long-term Plan that is ultimately selected.

Funds are requested in an account within the Bureau of Reclamation and provided to participating agencies based upon the program recommended by CALFED and approved by the Secretary of the Interior in consultation with participating agencies. Participating agencies will work directly and administer contracts with non-Federal entities. Federal funds would be available in a manner consistent with the terms of the existing cost-sharing agreement and environmental review requirements.

The Administration is submitting authorization language that would extend current spending authorization through 2003 to enable the ecosystem restoration program to be fully funded at the \$430 million authorized by the California Bay-Delta Environmental Enhancement Act.

**AUTHORIZATION:** The Reclamation Act of 1902, June 17, 1902; P.L. 104-333, the Omnibus Parks and Public Lands Management Act of 1996, Title XI, California Bay-Delta Environmental Enhancement Act, November 12, 1996; P.L. 102-575, Title XXXIV, Central Valley Project Improvement Act of 1992, October 30, 1992; and P.L. 845, 62 Stat. 1155, The Clean Water Act, June 30, 1948, 33 USC 1251-1387, as amended October 18, 1972, P.L. 92-500.

**SUMMARIZED FINANCIAL DATA**

**Program Financial Data**

Activity	FY 1999	FY 2000
Total Program	\$86,943,228	\$95,000,000
Prior Year Funds	(11,943,228)	0
Enacted	\$75,000,000	\$95,000,000
Total Reclamation Allotment	\$75,000,000	\$95,000,000

**PROJECT SELECTION PROCESS:** The process used to identify proposals for funding from the Bay-Delta Ecosystem Restoration Appropriation allows for two methods of proposal development: Public Project Solicitation and CALFED Directed Programs.

Under the Public Project Solicitation process, CALFED will identify stress-causing activities and actions to address them based upon the Ecosystem Restoration Program Plan near-term priorities. CALFED will prepare a package to solicit applications and develop evaluation criteria. Project and program proposals can be provided by a variety of sources including State and Federal agencies, local governments, special districts, non-profit organizations, other organizations and private individuals interested in ecosystem restoration. Criteria for selection of proposals will be prepared and applied to all applicants. The evaluation criteria will be used to guide selection of actions to address the priority species and habitats. The program staff, working with technical review panels, will review and rank the proposals using the evaluation criteria. The list of recommended proposals, along with the advice from the Ecosystem Roundtable, will be forwarded to the Bay-Delta Advisory Council (BDAC) for its advice. BDAC will transmit its advice to the CALFED Policy Team.

The CALFED Directed Programs Process is initiated by CALFED agencies. The CALFED Bay-Delta Program staff, working in conjunction with CALFED agencies, may determine that certain specific projects are needed to adequately address Ecosystem Restoration Program Plan priorities. The CALFED Bay-Delta Program may develop project proposals and designate State and/or Federal agencies to implement the Action(s). The list of proposed projects prepared by the CALFED Bay-Delta Program will then be forwarded to the Ecosystem Roundtable, for its review and advice. The list of recommended proposals, along with the advice from the Ecosystem Roundtable will be forwarded to BDAC for its advice. BDAC will transmit its advice to the CALFED Policy Team.

After the Policy Team representatives prepare the final list of recommended actions (in either the Public Solicitation Process or the Directed Programs Process), they will forward that list to the U.S. Secretary of the Interior and the California Resources Secretary for final approval. Upon project selection approval by the Secretary of the Interior, the Bureau of Reclamation will issue an Interagency Agreement (as defined in a Memorandum of Understanding with signatory Federal CALFED partners in the Bay-Delta process) obligating funds for individual proposals to the sponsoring Federal agency. In addition, a progress report will be prepared for each funded proposal for submittal to Congress within 30 calendar days after the close of each quarter.

The process used to identify programs for funding from the \$20 million requested for other CALFED Bay-Delta Program elements will be similar to the CALFED Public Project Solicitation described above, except for the separate review by the Ecosystem Roundtable.

**WORK PROPOSED FOR FY 2000:**

Funds are requested for early implementation activities of the CALFED Bay-Delta Program. The majority of these funds will specifically address ecosystem quality including habitat acquisition and restoration, fish screening and passage, exotic species management, and monitoring of ecosystem health. Additional efforts will be undertaken to coordinate and undertake work on other common program elements such as projects to improve water use efficiency, water quality, groundwater storage, levees, conveyance, and watershed management on which CALFED agencies have agreed. Many of these efforts will produce multiple benefits across resource elements.

**ECOSYSTEM RESTORATION -**

At this time, we anticipate the following funding priorities for projects to be implemented in FY 2000. These estimates may change slightly.

**Fish Screen Improvements-**

Continues restoration actions associated with fish entrainment such as relocation or consolidation of points of diversions, and the construction and rehabilitation of fish screens at diversions. Funding for this program will be provided to and through the Bureau of Reclamation and the U.S. Fish and Wildlife Service. \$5,600,000

**Fish Passage Improvements-**

Continues the removal of barriers including removal of obsolete structures, construction of fish ladders, improvements in water quality and other modifications which could improve fish passage around the barrier. Funding will be to and through the Bureau of Reclamation and the U.S. Fish and Wildlife Service. 1,000,000

**Habitat Restoration in Floodplains and Marshes-**

Continues restoration actions associated with floodplain areas and marshlands in the Bay-Delta ecosystem including reconnection of the floodplain with the river system through modifications to levee systems, floodplain easements, or other methods. Continues the restoration of floodplains through the development of seasonal wetland areas. Current proposals indicate funding will be provided to and through the U.S. Army Corps of Engineers, U.S. Fish and Wildlife Service, and the Natural Resources Conservation Service for actions associated with floodplain and marshplain changes. 10,000,000

**River Channel Changes-**

Continues actions to address river channel changes which include stream bed alterations to increase channel complexity, additions of suitable spawning gravels, restoration of habitats along sloughs and mid-channel islands, creation of areas to allow river corridors to migrate, reconnection of historical stream channel areas, management to reduce fine sediments such as sand and silt, and other actions to restore healthy riparian habitats along the river channels. Funding for this program will be to and through the U.S. Army Corps of Engineers. 22,000,000

**Improved Instream Flows-**

Continues restoration actions associated with improved instream flows which will include acquisition of drought year water supplies, an environmental water account, and providing alternative water sources to increase flows to support restoration of fish populations. Current proposals indicate funding will be provided through the Bureau of Reclamation. 20,000,000

**Water Quality and Temperature Improvements-**

Continues actions to address water quality and water temperature problems that will include identification of pollution sources, evaluation of effects, remediation, monitoring, education, facilitating safe dredge spoil disposal, and revising land use practices to reduce runoff. Based on current proposals, funding will be through the Environmental Protection Agency. 1,000,000

**Introduced and Undesirable Species Control-**

Continues actions to alleviate problems created by introduced and undesirable species which include educational programs to prevent new introductions, and control of species already introduced. Funding for this program will be to and through the U.S. Fish and Wildlife Service. 1,000,000

**Watershed Management-**

Continues watershed management activities such as education, development of improved management techniques, and erosion control projects. Funding for this program will be to and through the Bureau of Reclamation, U.S. Forest Service, U.S. Geological Survey, and Natural Resources Conservation Service. 1,000,000

**Improved Fish Management and Hatchery Operations-**

Continues the development of tools to improve hatchery production in order to avoid impacts on wild fish and to establish or supplement populations which have been drastically reduced. Funding for this program will be to and through the U.S. Fish and Wildlife Service and the National Marine Fisheries Service. 1,000,000

**Monitoring, Permit Coordination and Other Special Support Programs-**

Continues support of the Integrated Phasing Strategy Program and coordinated permitting requirements. Continues the development of the Watershed Management Program and support of the Comprehensive and Coordinated Monitoring Assessment, and Research Program. Continues planning and management activities associated with the overall CALFED Bay-Delta Program and coordination associated with the staged implementation. 7,000,000

**Miscellaneous Expenses/Administration-**

**CALFED Directed Programs -**

Contingency Reserve funds set aside for emergency and single-time expenditures for specific activities identified by the Policy Group and the Ecosystem Roundtable as necessary for program success. \$4,050,000

Continues funding for the Technical Review Program/Quality Control Program. 850,000

Continues funding for support provided by the Bureau of Reclamation in coordinating funding activities with other Federal CALFED agencies from the Bay-Delta Ecosystem Restoration Appropriation. 500,000

5,400,000

**Ecosystem Restoration Subtotal \$75,000,000**

**OTHER CALFED PROGRAM ELEMENTS -**

Begins planning and implementing certain activities for common program elements that are in accordance with the CALFED Bay-Delta Program. The types of actions that might be funded are activities associated with water use efficiency, water quality, groundwater storage, levees, conveyance, and watershed management. In addition, funds would be utilized to cover a share of the costs for planning and management activities associated with developing the overall CALFED Bay-Delta Program and coordinating its staged implementation. 20,000,000

**Reclamation Request \$95,000,000**

## Central Valley Project

### Comparison of FY 2000 Presidents Budget to FY 1999 Enacted Budget

#### Californian Bay-Delta Restoration (CALFED)

(Dollars in Thousands)

#### Summarized Financial Data:

Total Program  
Prior Year Funds  
Enacted

CALFED		
FY 1999	FY 2000	Incr(Decr)
86,943	95,000	8,057
(11,943)	0	11,943
75,000	95,000	20,000

#### Work Proposed Workplan:

Fish Screen Improvements  
Fish Passage Improvements  
Habitat Restoration in Floodplains and Marshes  
River Channel Changes  
Improved Instream Flows  
Water Quality and Temperature Improvements  
Introduced and Undesirable Species Control  
Watershed Management  
Improved Fish Management and Hatchery Operations  
Monitoring Permit Coordination and Other Special Support Programs  
Miscellaneous Expenses/Administration:  
    Contingency Reserves  
    Technical Review and Quality Control Program  
    Coordination of Activities  
    Ecosystem Restoration Subtotal  
Other CALFED Program Elements  
Total Program Request

CALFED		
FY 1999	FY 2000	Incr(Decr)
	5,600	5,600
	1,000	1,000
	10,000	10,000
	22,000	22,000
	20,000	20,000
	1,000	1,000
	1,000	1,000
	1,000	1,000
	1,000	1,000
	7,000	7,000
		0
	4,050	4,050
	850	850
	500	500
	75,000	75,000
	20,000	20,000
	95,000	95,000

#### NOTE:

The FY 2000 Budget Justifications include language stating that "The administration is submitting authorization language that would extend current spending authorization through 2003 to enable the ecosystem restoration program to be fully funded at the \$430 million authorized by the California Bay-Delta Environmental Enhancement Act".