CALFED
BAY-DELTA
PROGRAM

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Memorandum

Date: October 19, 1999

To: Bay-Delta Advisory Council

From: Steve Ritchie
CALFED Deputy Director

Subject: Proposed FY 2000 Ecosystem Restoration Expenditures

Summary

In 1999 CALFED began the transition from early ecosystem restoration to implementation of the long-term Ecosystem Restoration Program. It is critical that decisions about and funding of ecosystem restoration activities be made at the beginning of the fiscal year so that FY 2000 funds can be obligated as soon as possible. The process for implementing FY 2001 ecosystem restoration activities must be initiated now so that they will be ready for funding at the start of FY 2001. The Ecosystem Roundtable considered proposed FY 2000 expenditures but was unable to reach consensus agreement on the proposed expenditures. The Interim Science Panel recommendations, comments from the Ecosystem Roundtable and a CALFED staff funding recommendation are being forwarded to you for your consideration and recommendation.

Detailed Discussion

In 1999 CALFED began the transition from early ecosystem restoration to implementation of the long-term Ecosystem Restoration Program. This transition has included increasing specificity in the solicitation and selection of ecosystem restoration projects, a critical review and proposed revisions of the ecosystem restoration implementation process, and the transition to an annual cycle for project selection and implementation which is structured around the federal fiscal year. This transition has required a modified approach for FY 2000 decision making. Projects which remained unfunded from the 1999 solicitation were used as the basis for identifying potential projects for FY 2000. It is critical that decisions about selection of projects and funding of other ecosystem restoration activities be made at the beginning of the fiscal year so that the

transition from early ecosystem restoration activities can be completed, and the process for implementation of FY 2001 ecosystem restoration activities can be initiated.

During their deliberations over the transition from early ecosystem restoration to implementation of the long-term Ecosystem Restoration Program, the Ecosystem Roundtable recommended at its meeting that a panel of scientists be convened to review and make recommendations on the FY 2000 implementation plan and potential projects which could be implemented under that plan. The Interim Science Panel (ISP) consisting of six independent scientists and three CALFED scientific staff (Attachment A), met for two days in September and prepared a recommendation for funding in FY 2000. This recommendation consisted of suggestions for funding specific projects and guidance on funding levels for the CALFED Science and Monitoring Program and the Environmental Water Program.

The Ecosystem Roundtable was presented the ISP recommendations including information on specific projects and recommendations. Members of the ISP were present to discuss the rationale for the recommendations. The Ecosystem Roundtable was asked to make recommendations regarding the projects recommended and the distribution of funding for ecosystem restoration projects, science and monitoring, environmental water and CALFED Special Support. Discussion about these four items is summarized below. Specific points of discussion on individual projects are included in Attachment B of the ISP recommendations which are included.

Ecosystem Restoration Projects - Many questions were asked and answered about individual projects which were recommended for funding. Clarification was provided that administrative issues, such as notification of local government, identified for specific projects would be addressed in a manner consistent with the 1999 projects. A Summary of points made by various members of the Roundtable include:

- Some projects such as watershed and water quality projects should be partially or completely funded with non-ecosystem restoration funds.
- There was discussion of the cross cut budget and the potential to fund some of the proposed activities from other sources.
- Continued funding of watershed organizations may be inconsistent with the original intent to provide start up funds only for these groups.

- Some of the projects considered may have new information which could have been influential in their selection, but was not considered because of legal constraints.
- The importance of providing continued funding for construction of fish screens was emphasized by NMFS and some Ecosystem Roundtable members.

Science and Monitoring - The Ecosystem Roundtable generally supported the concept of funding science and monitoring for the Ecosystem Restoration Program, but were concerned about the high cost of these activities. Materials provided included a description of activities, budget and a narrative explanation. Members were unclear about how the funds would be used, and if the proposed level of funding would be necessary. Clarification was provided that the activities proposed in the science and monitoring program include those which will be implemented by CMARP.

Environmental Water - There was substantial discussion between Ecosystem Roundtable members regarding the appropriate level of funding for this item. There was broad support for dedicating funds and moving forward with the development of the framework for long-term environmental water acquisitions. Ecosystem Roundtable members recommended reviewing previous documents prepared on this topic and coordinating environmental water acquisition with CVPIA. There was a range of views on supplementing the existing $9 million in the ecosystem restoration environmental water account with additional funds from FY 2000. Some felt it was important to continually build the funds available for long-term water acquisitions because of the importance of this activity and its high cost, while others felt that until the framework for acquisition was established it was unlikely that the money would be used and therefore it was not critical to increase the amount in the account this year.

Special Support - There was some discussion about the CALFED Program activities funded under the Special Support program. Some members felt it would have been more constructive to see the total State/Federal budget when this item was considered. It was emphasized that adequate funding needed to be provided for environmental documentation to ensure that the programmatic EIS/EIR will be completed.

Attached is a table which shows the recommendation of the ISP, the range of recommendations from the Ecosystem Roundtable and a staff recommendation based on the discussions of these two groups. It should be noted that while some Ecosystem Roundtable members recommended that the funding decisions not be made until all of the specific issues are addressed and a consensus recommendation from the Ecosystem Roundtable is reached, moving forward with the FY 2000 funding package will allow the transition to implementation of the long-term plan on the federal fiscal year cycle and a more systematic and focused approach to implementing the ERP.

The ISP also provided guidance on moving forward with FY 2001 planning. The intent is to initiate and complete this activity prior to the end of the year so that a new project solicitation can be held after the first of the year. This will allow a more comprehensive project review and adequate time for project selection prior to the next federal appropriation.

Action

At this meeting BDAC is being asked to forward a recommendation to the CALFED Policy Group for consideration at its November 17 meeting.

Recommendations for FY 2000 Expenditures

	Interim Science Panel	Ecosystem Roundtable	CALFED
Projects	20 projects $15.4 million	$14.6-20 million	18 projects $14.9 million (Recommend alternative funding for 2 ballast water proposals)
Science & Monitoring	$7-10 million	$3-8.4 million	$7.4 million
Environmental Water	$4-7 million	$0-6 million for water $0.5 for study	$1 million
South Delta Planning	$0	$0	$1 million
Special Support	$5 million	$4 million	$4 million
Balance			$1.7 million

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