

CALFED Ecosystem Restoration Program
Restoration Reserve Fund Policy
August 7, 2000

Purpose of the Restoration Reserve Fund

First Priority: The Restoration Reserve Fund is maintained for the purpose of providing additional funds for increases in budget for existing projects.

Second Priority: If a new project presents a unique opportunity that is in response to emergency conditions or is time-sensitive.

Use of the Restoration Reserve Fund

The Restoration Reserve Fund shall be used as a contingency fund to support existing ecosystem restoration projects. It may be considered for new projects only when existing ecosystem restoration funds available for new projects have been exhausted.

Types of Projects that can be Funded under the Restoration Reserve

- Increases in cost of CALFED-funded ecosystem restoration projects considered and approved through the existing ecosystem restoration project amendment process.
- New ecosystem restoration projects that respond to an unexpected event that will have irreversible impacts to an important resource if action is not taken immediately.
- New ecosystem restoration projects that represent a unique opportunity that will no longer be available when the decisions are made on the next annual funding cycle.

Process for Considering and Approving Requests to Use Restoration Reserve Funds

Requests to use Restoration Reserve Funds for a new project will be subjected to review by scientific and technical experts. Scientists and technical experts will be identified to provide outside technical review of the requests. Each of these experts will have sufficient expertise to assess the scientific and/or technical qualities of the requests, but will not need to be familiar with the Bay-Delta system. It is anticipated that three or more scientists or technical experts will evaluate each request. Requests will be evaluated on their individual scientific and technical merit. The result of this review will be at least a one page narrative evaluating the request. Requests to use the Restoration Reserve for a new project will be considered by the Agency Stakeholder Ecosystem Team (ASET) and the Ecosystem Roundtable. Recommendations will be forwarded to the CALFED Policy Group.

Amendment requests will be considered by an Ecosystem Roundtable Amendment Subcommittee at a publicly-noticed meeting. At the discretion of the contract administrator in consultation with CALFED staff, requests to use Restoration Reserve Funds for an amendment to an existing project may be subject to review by scientific and technical experts. Review may be required if the amendment could result in changes to the scientific or biological outcome of the project or new impacts to the environment or affected parties. Attachment A (to be developed) provides guidelines for the types of amendments that may

warrant scientific review. If the contract administrator and CALFED staff have differing recommendations regarding the need for review, those recommendations will be forwarded to the Amendments Subcommittee for a decision.

For these requests, scientists and technical experts will be identified to provide technical review. Each of these experts will have sufficient expertise to assess the scientific and/or technical qualities of the requests, but will not need to be familiar with the Bay-Delta system. It is anticipated that three or more scientists or technical experts will evaluate each request. Requests will be evaluated on their individual scientific and technical merit. The result of this review will be at least a one page narrative evaluating the request.

All Ecosystem Roundtable Subcommittee members will provide review and comment on the proposed amendments. Agency Liaison members of the amendment subcommittee will make their recommendation on proposed amendments based on the scientific and technical review and on input from the Ecosystem Roundtable members. The Department of the Interior, Resources Agency, Environmental Protection Agency, and California Urban Water Agencies will have the final approval over their respective funding sources. If the proposed amendment exceeds \$500,000, it must be presented to the Policy Group which will transmit its recommendation to the respective funding source. The use of the Restoration Reserve Fund will be reported as an information item to the Federal-State Management Group, Policy Group, Ecosystem Roundtable and BDAC.

Maintenance of the Restoration Reserve

The Restoration Reserve Fund will be maintained at no more than 5% of the total funds approved and available for projects, less those projects completed. As additional funds are appropriated, the amount of the Restoration Reserve Fund will be adjusted. If the Restoration Reserve Fund is depleted below 3%, the first priority for subsequent appropriations will be to replenish the Reserve account. As projects are completed, the amount of the Restoration Reserve Fund may exceed 5%. If the Restoration Reserve exceeds 5%, the surplus may be made available for projects selected through the normal selection process.