



Memorandum

Date: July 28, 2000

To: David Hayes
Deputy Secretary of the Interior
U.S. Department of the Interior
1849 C Street NW Ms 6217
Washington, DC 20240

Mary D. Nichols
Secretary for Resources
The Resources Agency
1416 Ninth Street, Room 1311
Sacramento, California 95814

From: Steven R. Ritchie
Acting Executive Director

Subject: CALFED Bay-Delta Program Finance

Attached for your use and review are documents regarding funding and proposed cost sharing for Stage 1 of the CALFED Program. As we move into Implementation of the Program, it will be important to bring the issues of funding and cost sharing forward so that we may successfully implement the Program in the future. The documents should serve as the basis for serious discussion among agencies in Washington and Sacramento regarding current and future state and federal budgets.

The attached documents highlight key issues related to funding for the CALFED Bay-Delta Program.

Attachment 1 – Year 1 Projected Expenditures and Funding Sources shows proposed funding sources and allocations for the first year of Program Implementation.

Attachment 2 – Stage 1 Estimated Costs shows cost estimates for each of the CALFED Program Elements for the first seven years of Program Implementation (Stage 1). These tables also include back-up information not included in the EIS/EIR.

CALFED Agencies

California The Resources Agency
Department of Fish and Game
Department of Water Resources
California Environmental Protection Agency
State Water Resources Control Board
Department of Food and Agriculture

Federal Environmental Protection Agency
Department of the Interior
Fish and Wildlife Service
Bureau of Reclamation
U.S. Geological Survey
Bureau of Land Management
U.S. Army Corps of Engineers

Department of Agriculture
Natural Resources Conservation Service
U.S. Forest Service
Department of Commerce
National Marine Fisheries Service
Western Area Power Administration



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Also included in Attachment 2 are proposed cost shares. Cost sharing represents a work in progress. More precise cost sharing allocations will be made as specific projects are developed and receive authorization. Cost share arrangements will be developed through agreements and will be consistent with applicable federal and state requirements.

Exact share of costs will depend on the specific projects that are implemented and will vary from year to year. Initial years will be heavily funded by federal and state dollars. In most cases these cost shares are based not on available sources of funds, but on a 50/50 split between federal and state sources or a 33/33/33 split between federal/state/users. However, these proposed cost shares do send the message that significant contributions will be needed from federal, state, and local/user sources. They provide a starting place for these important discussions.

Attachment 3 – Cost Estimates Backup provides more information regarding the sources and assumptions used to develop the cost estimates cited in Attachment 2.

Attachment 4 – CALFED Related Programs and Funding is the CALFED Cross-Cut Budget, which shows state and federal agency appropriations for federal fiscal years 2000-2001 and state fiscal years 1999-2000 – 2000-2001 related to the multiple objectives of the CALFED Program. The Cross-Cut Budget is a work-in-progress and subject to change. It is currently under review by state and federal agencies. The information for federal agencies is based on amounts in the President's Budget for FFY 2001, and State information is based on the Governor's Enacted Budget for SFY 2000-2001.

I hope this information is helpful. Please contact me at (916) 657-2666 if you have any questions on this material.

Attachments

cc: Policy Group