



## Memorandum

Date: March 13, 2000

To: Patrick Wright  
Deputy Secretary for Policy Development

Steve Macaulay  
Chief Deputy Director

From: Steven R. Ritchie  
Acting Executive Director

Subject: Proposition 13 BCP Review

We have reviewed the Department of Water Resources' BCPs related to the implementation of Proposition 13. Based on that review, we have prepared comments and recommendations (listed below) for those BCPs we believe are the most related to the CALFED Program. We have organized the BCPs into two categories —consistency and coordination. In the first category we recommend closer involvement and review by CALFED staff and Policy Group in program development and implementation, and in the second category, we recommend reporting requirements to increase coordination.

### A. Program Consistency Recommendations

1. Delta Levees Flood Protection Program -- \$30 million continuously appropriated

*Funding Source:* Delta Levee Rehabilitation Subaccount (Chp 5, Art. 3,)

*Relationship to CALFED:* The DWR Delta levees program (subventions and special projects) are two key elements of the CALFED levee program. DWR and CALFED staff have worked closely to identify actions that can strengthen the Delta levees program, including an increased level of funding for the program. The levee component of the CALFED program is one of the eight program elements that needs to be coordinated with the other CALFED programs to ensure a balanced and integrated program is implemented. The \$30 million for the DWR Delta levee program is the primary funding available for achieving the CALFED levee objectives in the near term.

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#### 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



*Recommendation:* The following language should be added to the BCP:

“The Delta levees program will be coordinated with the CALFED Program. The program workplan and priorities will be reviewed by the CALFED Policy Group which will provide recommendations to DWR regarding consistency and integration with the CALFED Program. DWR will work closely with CALFED staff to maximize consistency and integration with the CALFED program.”

2. Water Conservation, Groundwater Recharge/Storage, and Infrastructure Management Program -- \$5.7 million FY 2000-01

*Funding Sources:*

- Prop. 13, Water Conservation Account (Chp 8, \$155 million total),
- Prop. 13, Water Supply, Reliability, and Infrastructure Account (Chp 9, Articles 2 and 4, \$380 million total)

*Relationship to CALFED:* CALFED, in cooperation with DWR and the other CALFED state and federal agencies, is developing a Water Management Strategy to increase water supply reliability in the CALFED solution area. Water use efficiency and storage (surface and groundwater) are critical tools to implement the WMS. The BCP includes funding for many activities to improve water supply reliability, including grants and loans for groundwater, water use efficiency and water quality projects.

*Water Use Efficiency (WUE):* The CALFED WUE program is a critical element of the CALFED Program. The WUE program has been developed through a collaborative process with agencies and interested stakeholders including DWR. The WUE program is in the final stages of developing a program that includes criteria for WUE grants and loans and quantifiable objectives for agricultural WUE on a regional basis. The quantifiable objectives should increase the ability of the program to provide measurable improvements and provide agencies with clear funding criteria and priorities.

*Groundwater Storage/Recharge:* The CALFED program is currently managing a financial assistance program with federal funding for conjunctive use projects. Program principles and grant criteria have been developed through a collaborative process with agencies and interested stakeholders, including DWR. Proposition 13 funds and the federal funds are addressing the same program objectives.

*General BCP comments and questions:* We have several questions about the workplan and funding. Several of the activities that are budgeted for FY 2000-01 may not need as much funding and may be completed sooner if the work products being developed by CALFED are

used. For example, CALFED has developed or is in the final stages of developing eligibility criteria and program guidelines for WUE and conjunctive use loan and grant programs. In addition, if less time is needed for program and criteria development, it may be possible to increase the funding available for loans and grants in FY 2000-01. CALFED would like to discuss the program schedule, budget, and workplan with DWR to address these concerns.

*Recommendation:* The following language should be added to the BCP:

“The programs and funding included in this budget request will be coordinated with the CALFED Program. Program workplans, priorities, and project selection will be submitted to the CALFED Policy Group which will provide recommendations to DWR regarding consistency and integration with the CALFED Program. DWR will work closely with CALFED staff in developing the selection criteria and in conducting the project selection process to maximize consistency and integration with the CALFED program.”

3. Bay-Delta Multipurpose Water Management Program -- \$0 in FY 2000-01  
(\$250 million over 6 years beginning in FY 2001-02)

*Funding Source:* Prop. 13, Bay-Delta Multipurpose Water Management Subaccount  
(Chp 9, Art. 3).

*Relationship to CALFED:* One of the requirements for project funding related to Chapter 9, Article 3 is that funds shall be for projects identified in the CALFED EIS/R as Stage 1 actions. In addition, Proposition 13 language requires annual consultation with CALFED agencies before funds can be expended. For many of the projects listed in the BCP, CALFED has begun initial planning and established agency and public workgroups to advise the program.

*Comments/questions:* CALFED questions the funding schedule proposed in the BCP which initiates funding in FY 2001-02, instead of 2000-01. Are existing funds available for all planning activities for specified projects, such that funding from Proposition 13 can be delayed for one year? In addition, because of the current CALFED staff involvement in many of the BCP programs, CALFED should work with DWR to evaluate the additional staffing needs and the assignment of program management responsibilities for programs and funding in the BCP.

*Recommendation:* The following language should be added to the BCP:

“The programs and funding included in this budget request will be coordinated with the CALFED Program. Program workplans, priorities, and project selection will be submitted to the CALFED Policy Group which will provide recommendations to DWR regarding consistency and

integration with the CALFED Program. DWR will work closely with CALFED staff in managing the projects and programs funded by the BCP to ensure consistency and integration with the CALFED program.”

**B. Program Coordination Recommendations**

1. Flood Protection Corridor – \$10.7 million in FY 2000-01 (\$10 million /year for 6 years)

*Funding Source:* Flood Protection Corridor Subaccount (Chp. 5, Art. 2.5)

*Relationship to CALFED Program:* The CALFED ecosystem program is proposing similar activities for habitat restoration that are similar to those being proposed for the flood protection program. Both programs will be funding acquisition, restoration, enhancement and protection of real property, and possibly offering grants for identical projects. In addition, the Flood Protection Corridor Program may support projects recommended by the Sacramento-SJ River Basins Comprehensive Study, which is closely related to CALFED ecosystem activities. Although the objectives of the two programs are different, they should be closely coordinated to ensure maximum benefits and efficiency and avoid duplication or conflict.

*Recommendation:* The following language should be added to the BCP:

“The Flood Protection Corridor Program will coordinate with the CALFED ecosystem restoration and Delta levee programs to avoid conflicts and maximize joint benefits. The CALFED Program will report to the CALFED Policy Group on program coordination efforts and potential joint benefits of the two programs.”

2. Yuba Feather Flood Protection Program -- \$978 000 FY 2000-01 (\$70 million available for DWR, \$20 million available to DFG)

*Funding Source:* Yuba Feather Flood Protection Subaccount (Chp 5, Art 8)

*Relationship to CALFED Program:* The CALFED ecosystem restoration program is conducting planning and feasibility analysis related to the Yuba River, in close coordination with the local community, to identify options for improving fish migration of endangered species and avoid local impacts related to flood control and recreation. In addition, CALFED’s watershed management program works closely with local watershed and community groups in the Delta tributaries to identify and fund watershed restoration opportunities. Actions undertaken in the DWR BCP for flood control should be coordinated with the CALFED Program to avoid conflicts and to the extent feasible support CALFED efforts to restore endangered species. CALFED has not seen a DFG proposal related to the \$20 million, but should review the BCP if available.

*Recommendation:* The following language should be added to the BCP:

“The Yuba Feather Flood Protection Program will coordinate with the CALFED ecosystem restoration program to avoid conflicts and maximize joint benefits. The CALFED Program will report to the CALFED Policy Group on program coordination efforts and potential joint benefits of the two programs.” (This language should be added to the Capital Outlay and State Operations BCP’s for the Yuba FP Program)

3. Colusa Basin Watershed Flood Protection Program -- \$2.5 million FY 2000-01

Funding Source: Yuba Feather Flood Protection Subaccount (Chp 5, Art 8, Section 79068.10)

*Relationship to CALFED:* The CALFED ecosystem program includes restoration of habitat in the Colusa Basin. The BCP proposes restoration of 10,000 acres of wildlife habitat as part of the project and which could address 40 percent of CALFED’s restoration goals for the Colusa Basin ecological zone (BCP pg 4).

*Recommendation:* The following language should be added to the BCP:

“The Colusa Basin Watershed Flood Protection Program will coordinate with the CALFED ecosystem restoration program to avoid conflicts and maximize joint benefits. The CALFED Program will report to the CALFED Policy Group on program coordination efforts and potential joint benefits of the two programs.”

4. Proactive Floodplain Management -- \$2.85 million in FY 2000-01

*Funding source:* Floodplain Mapping Subaccount (Chp. 5, Art. 2)  
Flood Protection Corridor Subaccount (Chp 5, Art 2.5)

*Relationship to CALFED Program:* CALFED could benefit from the information generated from updated floodplain mapping (\$2.5 million) proposed in this BCP. In addition, CALFED ecosystem restoration and Delta levee protection activities should be coordinated with the proposed supplemental activities (\$1 million over 3 years) related to non-structural floodplain management. The CALFED ecosystem restoration program is focusing on habitat restoration that involves acquisition of lands in floodplains and setback levees that are closely related to activities that may be proposed in the floodplain management program.

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*Recommendation:* The following language should be added to the BCP:  
“The floodplain management program will coordinate with the CALFED ecosystem restoration and Delta levee programs to avoid conflicts and maximize joint benefits. The CALFED Program will report to the CALFED Policy Group on program coordination efforts and potential joint benefits of the two programs.”

5. Urban Streams Restoration -- \$2.5 million FY 2000-01

*Funding Source:* \$2 million--Urban Stream Restoration Subaccount (Chp 5, Art. 5).  
\$447,000—General Fund

*Relationship to CALFED:* The CALFED ecosystem restoration program and watershed management programs would benefit from continued coordination with the Urban Streams Program. The CALFED programs have similar restoration goals and the geographic areas of interest overlap a great deal.

*Recommendation:* The following language should be added to the BCP:  
“The Urban Streams Program will continue to coordinate with the CALFED watershed management and ecosystem restoration programs to avoid conflicts and maximize joint benefits. The CALFED Program will report to the CALFED Policy Group on program coordination efforts and potential joint benefits.”

Please contact me, or Kate Hansel (653-5816) of my staff if you would like to discuss our comments and recommendations.

Cc Don Wallace, Resources Agency  
Gary Lotspeich, DWR