

**CONSIDERATION OF A RESOLUTION AUTHORIZING THE DIRECTOR, OR
DESIGNEE, TO SIGN AN INTERAGENCY AGREEMENT WITH DEPARTMENT OF
WATER RESOURCES REGARDING
ECOSYSTEM RESTORATION FUNDS (PROPOSITION 13)
Agenda Item: 10**

Meeting Date: 8-14-03

Summary: The resolution would authorize the Director, or designee, to sign an interagency agreement with the Department of Water Resources (DWR), giving the Authority reimbursement authority to continue management and disbursement of Proposition 13 Ecosystem Restoration Program (ERP) funds.

Recommended Action: Adopt Resolution 03-08-18.

Staff Recommendation: Staff recommends that the Authority adopt the attached resolution, authorizing an Interagency Agreement with DWR which will allow staff to continue management and oversight of Proposition 13 funds for ERP water quality projects.

Background One of the goals of the Ecosystem Restoration Program is to improve and/or maintain water and sediment quality conditions that support healthy and diverse aquatic ecosystems in the Bay-Delta estuary and watershed. Two important water quality problems identified in the CALFED Record of Decision (ROD) include low dissolved oxygen concentrations in the San Joaquin River (SJR) and mercury and other constituents from abandoned mines. Dissolved oxygen concentrations in the SJR routinely fall below the water quality standard between June and October and create a migratory block for adult Chinook salmon returning to the San Joaquin River. Mercury and other constituents from abandoned mines and historic mining activities are accumulating in toxic levels that potentially impact fish and wildlife populations and human health.

Proposition 13 (the Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act) authorizes appropriation of bond funds to the DWR for, among other things, the following: (1) up to \$40,000,000 relating to the control of waste discharges that contribute to low dissolved oxygen and other water quality problems in the lower San Joaquin River and the south Delta and (2) up to \$17,000,000 for projects to control drainage from abandoned mines that adversely affect water quality.

Following passage of Proposition 13, DWR identified the ERP as the lead program for management and disbursement of the funds identified for the above water quality projects. Proposition 13 states that funds are to be appropriated to DWR. Beginning July

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2003, the CALFED Bay-Delta Program will transition from DWR to the new California Bay Delta

Authority. Since these funds will be appropriated to DWR, the Authority will need reimbursement authority through an interagency agreement with DWR to continue to manage and disburse these funds.

Fiscal Information

Funding Source: Proposition 13
Term of Contract: 1 year
Total Amount: \$10,006,000

List of Attachments

Proposed Scope of Work.

Contact

Name: Dan Castleberry

Phone: (916) 445-0769

**CALIFORNIA BAY-DELTA AUTHORITY
RESOLUTION NO. 03-08-18**

CONSIDERATION OF A RESOLUTION AUTHORIZING THE DIRECTOR, OR DESIGNEE, TO SIGN AN INTERAGENCY AGREEMENT WITH THE DEPARTMENT OF WATER RESOURCES REGARDING ECOSYSTEM RESTORATION FUNDS (PROPOSITION 13)

WHEREAS, the Ecosystem Restoration Program presents a comprehensive vision for improving and increasing aquatic and terrestrial habitats and improving ecological functions in the Bay-Delta ecosystem; and

WHEREAS, two important water quality problems identified in the CALFED Record of Decision include low dissolved oxygen concentrations in the San Joaquin River and mercury and other constituents from abandoned mines; and

WHEREAS, Proposition 13 (the Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act) authorizes appropriations of bond funds to the Department of Water Resources (DWR) for, among other things, the following: (1) up to \$40,000,000 relating to the control of waste discharges that contribute to low dissolved oxygen and other water quality problems in the lower San Joaquin River and south Delta; and (2) up to \$17,000,000 for projects to control drainage from abandoned mines that adversely affect water quality; and

WHEREAS, DWR has identified and designated the Ecosystem Restoration Program as the lead program for management and disbursement of the Proposition 13 funds appropriated by DWR for the above-referenced water quality purposes; and

WHEREAS, with the transition of Bay-Delta Program responsibilities, including the general oversight and coordination of the Ecosystem Restoration Program, into the new California Bay-Delta Authority, the Authority will need reimbursement authority to continue to manage and disburse these funds through the Ecosystem Restoration Program; and

WHEREAS, an interagency agreement with DWR would establish the necessary reimbursement authority that would allow the Ecosystem Restoration Program to continue to act a lead program manager in this regard;

NOW, THEREFORE, BE IT RESOLVED that the Authority authorizes the Director or his designee to sign an interagency agreement with the Department of Water Resources regarding Ecosystem Restoration Funds (Proposition 13), as generally described in the attached scope of work, for an amount not to exceed \$10,006,000. This authorization is contingent upon availability of appropriated funds in Fiscal Year 2003-04.

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CERTIFICATION

The undersigned Assistant to the California Bay-Delta Authority does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the California Bay-Delta Authority held on August 14, 2003.

Dated:

Heidi Rooks
Assistant to the California Bay-Delta Authority

Attachment 1
Ecosystem Restoration Funds
Proposed Scope of Work

Section 1. Purpose

This agreement (Agreement) is made between the Department of Water Resources (DWR) and the California Bay-Delta Authority (Authority) (collectively the parties) for the purpose of transferring Proposition 13 funds. The funds appropriated are appropriated for water quality projects currently assigned to the Authority and carried out by the Ecosystem Restoration Program. The funds are referenced in Proposition 13 (Water Code Sections 79196.5 (b) and (e)).

Proposition 13, Chapter 9, Article 3 Bay-Delta Multipurpose Water Management Subaccount states that funds are to be appropriated to the Department of Water Resources. Since these funds will be appropriated to DWR, the California Bay-Delta Authority will need reimbursement authority to expend these funds. Of this amount, the Authority will need \$10,006,000.00 and 3 positions for the Ecosystem Restoration Program.

Section 2. Projects and Funding Levels

- A. The maximum amount to be transferred under this Agreement is not to exceed \$10,006,000.
- B. A total of \$10,006,000 of Proposition 13 funds will be transferred from DWR to the Authority, upon approval of invoices submitted by the Authority to DWR.
- C. Work to be performed under this Agreement will be directed as follows: the Ecosystem Restoration Program will be under the direction of the Authority and Implementing Agencies as defined in the Bay-Delta Act of 2002, acting through DWR and is subject to the availability of funds pursuant to the provisions of Chapter 9, Article 3, Water Code Section 79196.5.
- D. The funding is for specific planning and implementation projects currently identified in the Ecosystem Restoration Program. The Authority funding also includes staff support from the Ecosystem Restoration Program. A portion of this funding will include grants from the 2002 and 2003 Proposal Solicitation Package or directed actions. The \$10,006,000 is to be allocated for the following:

Dissolved Oxygen - The dissolved oxygen funds for this agreement will be used to fund the following grants and contracts: 1) new studies and projects in the proposed 2003 ERP Proposal Solicitation Process, 2) a directed action for studies in the upper SJR, 3) technical project support through existing services contracts, 3) feasibility study for pilot aeration.

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Abandoned Mines Projects – The abandoned mines funds for this agreement will be used to 1) fund any existing Department of Conservation

contract, 2) fund studies identified in the 2002 ERP Proposal Solicitation Process, and 3) fund new studies and projects to be identified in the proposed 2003 Proposal Solicitation Process.

Program Staff – Funds will be use to fund three CBDA positions for project oversight and contract management for one year.

Section 3. Representative

Authority Ecosystem Restoration Program

Dan Castleberry

California Bay-Delta Authority

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