

CALFED Bay-Delta Program

Finance Planning

Agenda Item 13-8

Requesting BDA and BDPAC:

- Input & discussion on Near–Term Proposal

Requesting BDA:

- Action to recommend support of the Proposal

Overview of Presentation

- Set the Stage – Recent Events
- Near-term Priorities & Funding Proposal
- Next Steps / Summary

Background

- BDA
 - Approved Finance Plan Dec. 04
- Governor's Budget:
 - Directs BDA to develop May Revise proposal
- Legislature:
 - Demands scaled down, sustainable, 10 year proposal by April 1st; supported by all
 - Senate deletes CALFED funding; begins drafting Senate proposal

Current Status

- CALFED Near-Term Proposal released 4/8
- Continue agency, stakeholder & public review and input
- Legislative oversight & budget hearings
- State administration proposal released in May Revise (May 14th)

Near-term Proposal

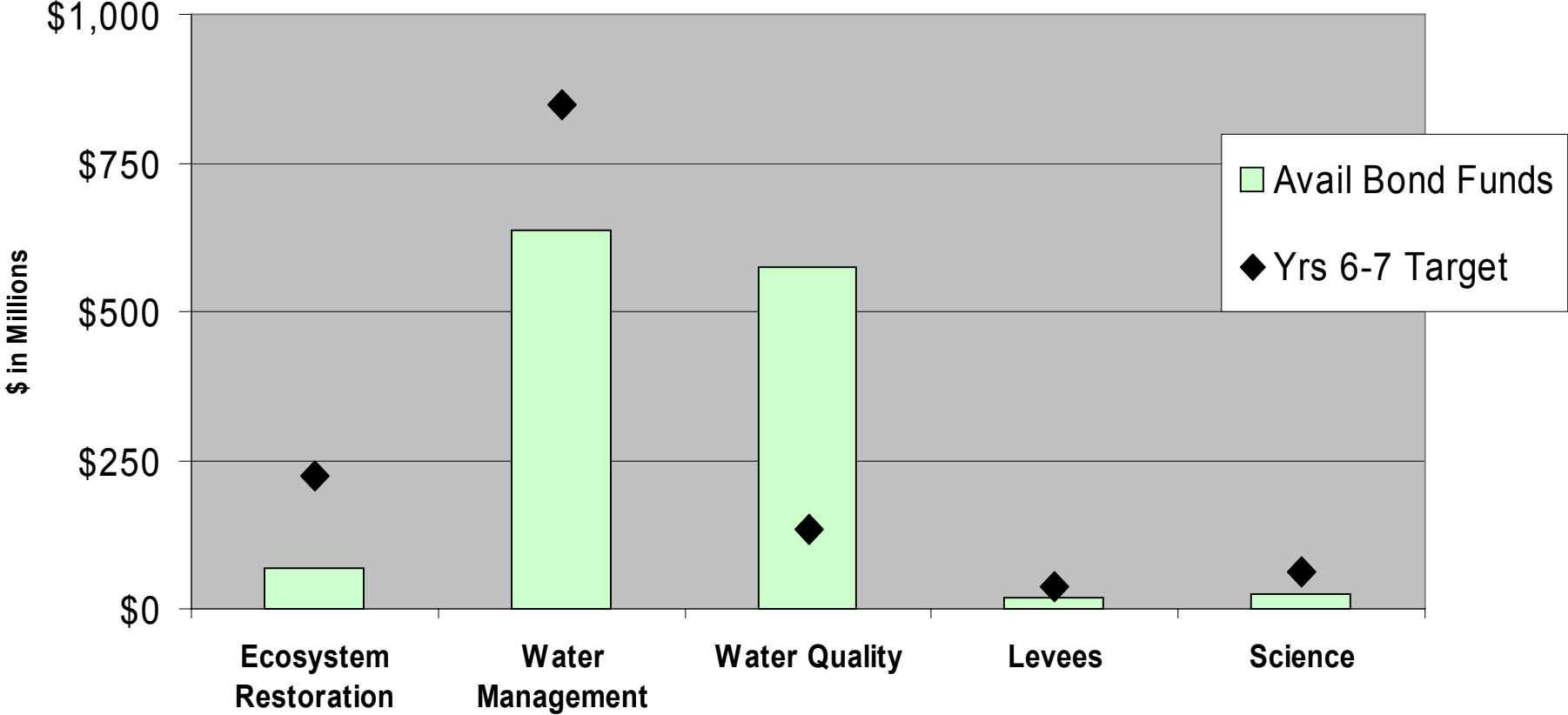
- 2 year timeframe ties to end of Stage 1
- Funding not “available” for all critical actions after 2 years
- Action/decisions required:
 - Decisions use of Bond funds
 - Increased federal funding
 - New water user contributions

Near-term Proposal

Available Funding After 2 years

- Funding significantly declines for many of the priorities
 - Levees, Science, Ecosystem
- Bond funds potentially available for selected programs
 - Water quality, water management

Remaining Bond Funding



Near-term Priorities

- Delta activities
- Ecosystem Restoration
- Water Management
- Science
- Oversight and Coordination

Delta Activities / DIP

- Permanent Barriers (8500 cfs)
- SWP/CVP Intertie
- Conveyance Studies
 - (DCC, Thru-Delta)
- San Luis Low Point Project –planning
- Water Quality
 - (SJ River Salinity Mgmt, Franks Track)
- EWA
- Levees

Ecosystem Restoration

- Priority actions:
 - Species affected by Delta water operations;
 - Recovery of listed species identified in ROD
- Funding Target
 - Average \$150 /yr over 7 yrs
 - Consistent w/ Conservation Agreement

Water Management

- Surface Storage Planning Studies
- Integrated Regional Water Mgmt
 - Regional Planning
 - Groundwater
 - Water Use Efficiency
 - Watershed
 - Water quality

Science

- CBDA Science
 - Research to inform water management and ecosystem decisions
- Interagency Ecological Program (IEP)
 - Monitoring and analysis of Delta fisheries and water exports

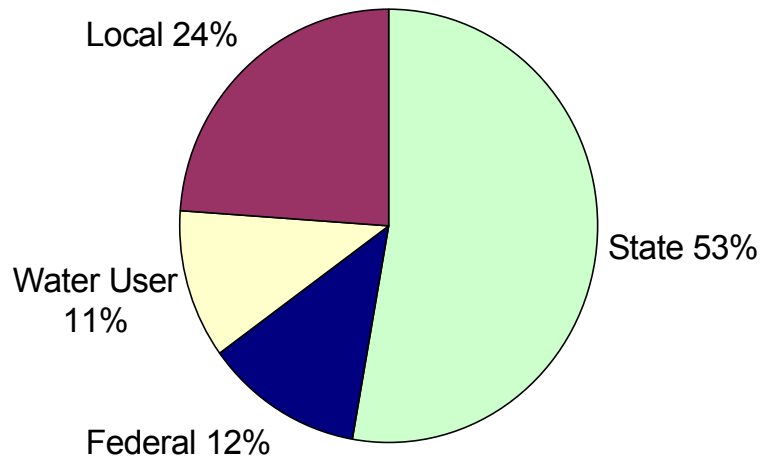
Oversight and Coordination

- Finance Planning
- Program integration and planning
- Performance assessment
- DIP implementation
- Environmental Justice coordination
- Tribal coordination

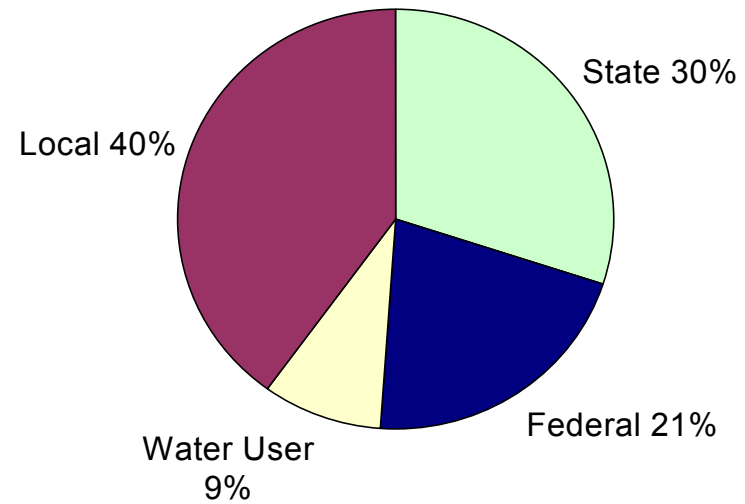
Near-term Funding

- \$1.6 billion for 2 years
 - Additional 16% reduction
- Overall cost shares
 - Moving toward Finance Plan allocations

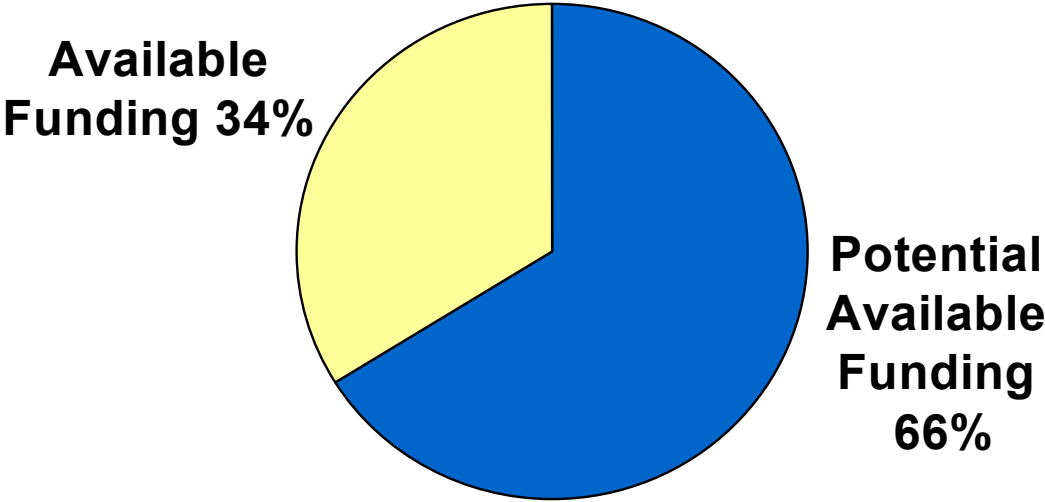
Near-term Cost Allocation



Finance Plan Cost Allocation



Near-term Funding



State Potential Funding

- Funding highly likely to become available
- Prop 13 and Prop 50
 - Conveyance funding flexible; requires Administration decision
- Prop 5 Chp 8
 - Expect majority of funding to be directed at actions that support CALFED priorities in the solution

Federal Potential Funding

- \$100 million target annually
- Reduced from Finance Plan but more than in President's Budget--\$40 mill increase
- Funding requested across all program priorities
- Significant portion for:
 - ERP, EWA, SJ river water quality, surface storage planning, science

Water User Potential Funding

- Delta Activities – project specific benefits
 - Temporary barriers; Franks Tract; SWP/CVP intertie; other misc.
- Ecosystem Restoration
 - \$25 mill. per year water user funding
 - ROD requirement
 - Water users benefiting -- export assurances; water supply reliability

Existing Regulatory Commitments

Fishery Agencies provide annual regulatory commitments under ESA to DWR and USBR which ensures south of Delta exporters will not have supply reduced **IF** three tiers of assets are in place:

Tier 1 - Baseline protection

Tier 2 - ERP and EWA funding

Tier 3 - Additional resources if needed

Next Steps

- Continue discussions with agencies, stakeholders, and legislature
- Submit proposal for May Revise
- Develop Federal 06 Funding request
- Continue development of a longer term sustainable funding strategy