

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
 DF-46 (REV 08/15)

Fiscal Year 2016/17	Business Unit 0540	Department Natural Resources Agency	Priority No.
Budget Request Name San Joaquin River Restoration Settlement – Prop 84		Program	Subprogram

Budget Request Description
 San Joaquin River Restoration Settlement – Prop 84 Appropriation

Budget Request Summary

This proposal will appropriate a total of \$32,531,000 in Prop 84 75050(n) for implementation of the San Joaquin River Restoration Settlement, of which \$15,983,000 will be used for the construction of a fish hatchery, and \$16,548,000 will be used to reimburse California Department of Water Resources and California Department of Fish and Game for work across all aspects of the San Joaquin River Restoration Project.

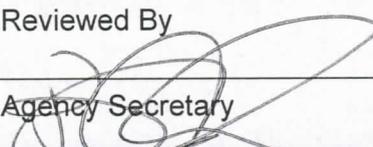
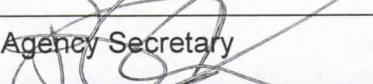
Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed
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Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date
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For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance.

FSR SPR Project No. Date:

If proposal affects another department, does other department concur with proposal? Yes No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By Julie Alvis	Date 2/9/2016	Reviewed By 	Date
Department Director	Date	Agency Secretary 	Date 2/9/2016

Department of Finance Use Only

Additional Review: Capital Outlay ITCU FSCU OSAE CALSTARS Dept. of Technology

BCP Type: Policy Workload Budget per Government Code 13308.05

PPBA	Original Signed by Amanda Martin	Date submitted to the Legislature 4-1-16
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BCP Fiscal Detail Sheet

BCP Title: San Joaquin River Settlement

DP Name: 0540-040-BCP-DP-2016-A1

Budget Request Summary

	CY	BY	BY+1	FY16 BY+2	BY+3	BY+4
Operating Expenses and Equipment						
5340 - Consulting and Professional Services - Interdepartmental	0	16,548	0	0	0	0
Total Operating Expenses and Equipment	\$0	\$16,548	\$0	\$0	\$0	\$0
Total Budget Request	\$0	\$16,548	\$0	\$0	\$0	\$0

Fund Summary

Fund Source - State Operations						
Safe Drinking Water, Water Quality 6051 - and Supply, Flood Control, River and Coastal Protection Fund of 2006	0	16,548	0	0	0	0
Total State Operations Expenditures	\$0	\$16,548	\$0	\$0	\$0	\$0
Total All Funds	\$0	\$16,548	\$0	\$0	\$0	\$0

Program Summary

Program Funding						
0320 - Administration of Natural Resources Agency	0	16,548	0	0	0	0
Total All Programs	\$0	\$16,548	\$0	\$0	\$0	\$0

A. Budget Request Summary

This proposal will appropriate a total of \$32,531,000 in Prop 84 75050(n) for implementation of the San Joaquin River Restoration Settlement, of which \$15,983,000 will be used for the construction of a fish hatchery, and \$16,548,000 will be used to reimburse California Department of Water Resources and California Department of Fish and Game for work across all aspects of the San Joaquin River Restoration Project.

Background/History

The San Joaquin River Restoration Program (SJRRP) was established upon court acceptance of a Stipulation of Settlement (Settlement) in *Natural Resources Defense Council, et al., v. Kirk Rodgers, et. al.*, in October 2006 on litigation related to the renewal of long-term water supply contracts in the Friant Division of the Central Valley Project. The San Joaquin River Restoration Settlement Act (Settlement Act), in Public Law 111-11 authorizes and directs the Secretary of the Interior to implement the Settlement.

In 2007, the Implementing Agencies including the Bureau of Reclamation, U.S. Fish and Wildlife Service, National Marine Fisheries Service, and the California Department of Water Resources (DWR) and Department of Fish and Wildlife (DFW) established the structure for the SJRRP and began implementing the Program.

Proposition 84 allocated \$100,000,000, "to the Secretary for Resources for the purpose of implementing the court settlement to restore flows and naturally-reproducing and self-sustaining populations of salmon to the San Joaquin River between Friant Dam and the Merced River. The funds are... available for channel and structural improvements, and related research pursuant to the court settlement."

The Natural Resources Agency administers the Proposition 84 funding through an interagency agreement, which reimburses DWR and DFW for work related to implementing the SJRRP. This proposal appropriates the balance of previously reverted funds. A total of \$16,548,000 will be used to reimburse current and ongoing work by DWR and DFW related to SJRRP activities, and a total of \$15,983,000 in capital outlay will be used specifically to fund the construction of a fish hatchery needed for the reintroduction of salmonids to the San Joaquin River.

B. State Level Considerations

The State has a significant interest in the restoration of the San Joaquin River and the related ecosystem extending over 200 river miles. The San Joaquin River is a major contributor of flows that affect the Sacramento-San Joaquin River Delta. A restored San Joaquin River would provide broad economic, natural resource and recreational benefits in terms of much needed water quality improvements, water supply improvements, fisheries and other recreational values, increased management flexibility, and improved quality of life within the San Joaquin Valley and elsewhere in the State.

C. Justification

This request would allow for activities to continue across all aspects of the San Joaquin River Restoration Project, including site-specific planning, engineering, environmental review and other activities that effect major channel improvements, fish passage modifications, hatchery construction, and levee work. This funding is needed in order to ensure project work continues in a timely and effective manner.

D. Outcomes and Accountability

Court approval of the SJRRP Settlement initiated a series of actions that resulted in a program structured to provide for effective oversight, management, and transparency of the SJRRP. Signed at the same time as the Settlement, the State MOU recognizes that, through DFW, DWR, and the Natural Resources Agency, it will play a major collaborative role in the planning, design, funding, and implementation of the actions on the San Joaquin River called for by the Settlement. The Proposition 84 funds appropriated for

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the SJRRP will be managed and monitored as required by statute, and will follow existing bond oversight and bond accountability policy and protocol.

E. Analysis of All Feasible Alternatives

Alternative 1: Do not appropriate funds for this work.

Pros

- This would delay expenditure from General Fund on bond payment.

Cons

- Work on the SJRRP would be delayed which would negatively impact the State's ability to carryout implementation of the Settlement Agreement.

Alternative 2: Appropriate Prop 84 75050(n) fund balance.

Pros

- Implementation activities related to the SJRRP would continue without delay.

Cons

- General Fund would be expended sooner for bond repayment.

F. Implementation Plan

There would be no modification to the existing implementation plan as outlined in the Settlement Agreement. This proposal would provide the necessary funding and expenditure period to allow the current work plan to move forward without delay.

G. Recommendation

We would recommend Alternative 2 as it would allow SJRRP work to proceed in a timely and efficient matter.

STATE OF CALIFORNIA		Budget Year 2016-17	
CAPITAL OUTLAY BUDGET CHANGE PROPOSAL (COBCP)		Proj ID:	0000972
SCOPE/ASSUMPTIONS WORKSHEET			
Department Title:	California Natural Resources Agency	BU/Entity:	0540
Project Title:	San Joaquin Fish Hatchery Expansion	Program ID:	0325
Program Category:	Critical Infrastructure Deficiency	COBCP #:	1
Program Subcategory:		Priority:	1
		MA/MI:	MA
<p>This project will expand the San Joaquin Fish Hatchery to accommodate a conservation/research hatchery to fulfill DFG's commitments in State and Federal MOU to SJ River Federal Court Settlement between US BOR, NRDC and the Friant Water Users Authority. Funding utilized will be Prop 84 funds. Expansion includes separate research facilities at the existing site: indoor spawning and egg incubation, indoor fry production area, office space, lab, restrooms, exterior hatchery area (outdoor smolt production, captive rearing area, adult holding area, and instream/reintroduction access area), water main modification, and effluent system modification.</p>			