

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

Fiscal Year 2016/17	Business Unit 3860	Department Water Resources	Priority No.
Budget Request Name 3860-003-BCP-DP-2016-A1		Program <b>VARIOUS</b>	Subprogram

**Budget Request Description**  
 Reappropriations, Extensions of Liquidation Periods, and Technical Adjustments

**Budget Request Summary**

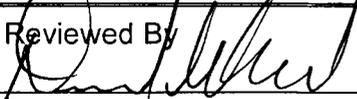
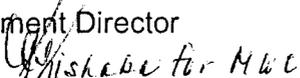
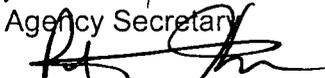
This proposal requests reappropriations, extensions of liquidation periods, and technical adjustments for various funds. These technical changes are critical to various projects which cannot be completed by June 30, 2016.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed	
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

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 David Fong	Date 2/10/16	Reviewed By 	Date 3/18/16
Department Director 	Date 3-21-2016	Agency Secretary 	Date 8/24/16

**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 <b>Original Signed by</b> <b>Amanda Martin</b>	Date submitted to the Legislature      4-1-16
--	---

## BCP Fiscal Detail Sheet

BCP Title: Reappropriations, Extensions of Liquidation Periods, and Technical Adjustments

DP Name: 3860-003-BCP-DP-2016-A1

### Budget Request Summary

	CY	BY	FY16			
			BY+1	BY+2	BY+3	BY+4
Operating Expenses and Equipment						
54XX - Special Items of Expense	0	4,923	4,923	4,923	4,923	4,923
<b>Total Operating Expenses and Equipment</b>	<b>\$0</b>	<b>\$4,923</b>	<b>\$4,923</b>	<b>\$4,923</b>	<b>\$4,923</b>	<b>\$4,923</b>
<b>Total Budget Request</b>	<b>\$0</b>	<b>\$4,923</b>	<b>\$4,923</b>	<b>\$4,923</b>	<b>\$4,923</b>	<b>\$4,923</b>
<b>Fund Summary</b>						
Fund Source - State Operations						
0001 - General Fund	0	5,325	5,325	5,325	5,325	5,325
0544 - Sacramento Valley Water Management and Habitat Protection Subaccount	0	-27	-27	-27	-27	-27
6005 - Flood Protection Corridor Subaccount	0	-440	-852	-1,108	0	0
6023 - Water Conservation Account	0	-375	-375	-375	-375	-375
6026 - Bay-Delta Multipurpose Water Management Subaccount	0	440	852	1,108	0	0
<b>Total State Operations Expenditures</b>	<b>\$0</b>	<b>\$4,923</b>	<b>\$4,923</b>	<b>\$4,923</b>	<b>\$4,923</b>	<b>\$4,923</b>
Fund Source - Local Assistance						
<b>Total Local Assistance Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total All Funds</b>	<b>\$0</b>	<b>\$4,923</b>	<b>\$4,923</b>	<b>\$4,923</b>	<b>\$4,923</b>	<b>\$4,923</b>

### Program Summary

Program Funding						
3230 - Continuing Formulation of the California Water Plan	0	6,452	9,599	9,498	9,566	9,552
3245 - Public Safety and Prevention of Damage	0	-1,527	-4,674	-4,573	-4,641	-4,627
3255 - Services	0	-2	-2	-2	-2	-2
9900100 - Administration	0	1,485	1,485	1,485	1,485	1,485
9900200 - Administration - Distributed	0	-1,485	-1,485	-1,485	-1,485	-1,485
<b>Total All Programs</b>	<b>\$0</b>	<b>\$4,923</b>	<b>\$4,923</b>	<b>\$4,923</b>	<b>\$4,923</b>	<b>\$4,923</b>

## Analysis of Problem

### A. Budget Request Summary

This proposal requests reappropriations, extensions of liquidation periods, and technical adjustments for various funds. These technical changes are critical to various projects which cannot be completed by June 30, 2016.

### B. Background/History

**REAPPROPRIATIONS (STATE OPERATIONS):** Reappropriation of the balance remaining for the following funds to June 30, 2018 is requested.

**Fund 0445 – Safe, Clean, Reliable Water Supply Act (Prop 204) – Feasibility Projects Subaccount (Ch.6, Section 78655), (3860-001-0445, Program 3230) FY 2013-14, Budget Act of 2013 (Chs. 20 and 354, Stats. 2013), as reappropriated by Item 3860-491, Budget Act of 2014 (Ch. 25, Stats. 2014)**

#### **Water Recycling and Desalination Feasibility Studies (\$57,460):**

This reappropriation of \$57,460 will support Proposition 204 funding for recycled water and desalination feasibility studies. Recycled water and desalinated water are established in the California Water Plan as important resource management strategies to meet the water demands of the State. Increasing the use of recycled water has multiple benefits in energy savings and reduction in greenhouse gas generation. The Department of Water Resources (DWR) is using this money for state staff to study two recycled water beneficial uses: wetlands and agricultural irrigation. The project intent is to study the application of secondary treated recycled water by focusing on long-term users in both wetland and agricultural applications.

If this request is not approved, the work cannot be completed in the few months remaining, the projects will be stalled, the beneficial uses will not be studied and approaches to increase recycled water use will not be determined. DWR would have to initiate a new appropriation for these funds, delaying their use until July 2017 or later. A long-term impact could be reluctance in the future for interested parties to pursue these water recycling applications.

**Fund 6005 – Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Act (Prop 13) – Flood Protection Corridor Program (Ch. 5, Section 79035) (3860-101-6005, Program 3245) FY 2015-16 Budget Act of 2015 (Ch. 10, Stats. 2015)**

#### **Flood Corridor Program (\$1,500,000):**

This proposal requests the reappropriation of \$1,500,000 from Proposition 13, Chapter 5, Section 79035 to support the FloodSAFE California, long-term strategic initiative to implement the Governor's Water Action Plan Item 8 – improve flood protection. Dollars have not been committed or expended due to the refinement of the next proposal solicitation package (PSP) for the Flood Corridor Program (FCP) and review of its 2010 Guidelines has not yet been finalized and needs additional time. Based on the current schedule, the PSP will be noticed publicly in summer 2016, with a fall-winter 2016 review, rating, and preliminary funding recommendations. Final recommendations should be available in spring 2017 with funding commitments beginning in summer 2017, extending into FY 2017-18. In addition, some existing FCP projects are coming in under budget, leaving some Local Assistance funds unspent. Aggregating other available funds and reappropriations is making for a more robust PSP than initially expected. With all funding sources, a total of approximately \$22,500,000 should be available for the upcoming PSP.

If this request is not approved, the PSP will be reduced by \$1,500,000. The PSP would still be advertised, but for approximately \$21,000,000. Perhaps one less flood corridor project would be funded if this reappropriation request is not approved. The funding would revert to section 79035 specifically

## Analysis of Problem

approved for the FCP. A separate and second PSP would be considered in the future to utilize any remaining program funding, and may be inefficient for such a small amount.

**Fund 6010 – Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Act (Prop 13) – Yuba Feather River Flood Protection Program (Ch. 5, Section 79068.2) (3860-001-6010 Program 3245) FY 2013-14 – Budget Act of 2013 (Chs. 20 and 354, Stats. 2013) as reappropriated by Item 3860-491, Budget Act of 2014 (Ch. 25, Stats. 2014)**

**Yuba Feather Flood Protection Program (\$197,000):**

This proposal requests the reappropriation of \$197,000 from Proposition 13, Chapter 5, Section 79068.2 to ensure funding will last through the remainder of the Yuba Feather Flood Protection Program (YFFPP). DWR expects to complete all contracts on the program in mid-2017. In addition, to remain under the authorized \$70,000,000 program cap, no other funding is being sought for State Operations under the YFFPP.

If this request is not approved, the YFFPP will not have funds to manage the few YFFPP contracts that will remain into FY 2016-17. The program would not be closed out cleanly and remaining contracts would not receive reimbursements despite Local Assistance having been committed against those contracts. The State Operations funding would revert to California Water Code (CWC) Section 79068 specifically approved for the YFFPP, and a new State Operations Budget Change Proposal (BCP) would be requested in FY 2017-18 for the remaining funding under the CWC section 79068 limit of \$70,000,000. The delay would create administrative work due to a one-year delay in reimbursements to grantees.

**Fund 6031 – Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Prop 50) – Contaminant and Salt Removal Technologies (Ch.6, Section 79545(a)), (3860-101-6031, Program 3230) FY 2003-04 – Budget Act of 2003 (Ch. 157, Stats. 2003), as reappropriated by Item 3860-491, Budget Act of 2004 (Ch. 208, Stats. 2004) and Item 3860-491, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), Item 3860-492, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), as reverted by Item 3860-495, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), as reappropriated by Item 3860-492, Budget Act of 2008 (Chs. 268 and 269, Stats. 2008), as reverted by Item 3860-495, Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.), as reappropriated by Item 3860-493, Budget Act of 2012 (Chs. 21 and 29, Stats. 2012), as reappropriated by Item 3860-493, Budget Act of 2014 (Ch.25, Stats. 2014)**

**Desalination Grant Projects (\$929,860):**

This reappropriation will support Proposition 50 Local Assistance through the Water Desalination Grant Program established to provide grant assistance to local agencies and other entities for water desalination projects. The extension will allow for the completion of invoicing of existing water desalination projects.

Dollars have not been expended or committed because of the complexity of desalination projects that can take many years to complete. The program expects that all claims for grant disbursement under this appropriation to be completed within the next two years.

If this request is not approved, grant disbursements to grantees could not be made, resulting in the inability of the State to meet its commitments to local agencies or other entities that are nearing the end of the project work.

**Fund 6031 – Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Prop 50) – Contaminant and Salt Removal Technologies (Ch.6, Section 79545(a)), (3860-101-6031, Program 3230) FY 2013-14 – Budget Act of 2013 (Ch. 20, Stats. 2013), as reappropriated by Item 3860-491, Budget Act of 2014 (Chs. 25 and 354, Stats. 2014)**

**Water Desalination Grant Program (\$400,000):**

This reappropriation of \$400,000 will support the Water Desalination Grant Program established to provide grant assistance to local agencies and other entities for water desalination projects. These funds were appropriated in FY 2013-2014 for Proposition 50 grants for water desalination projects. The Round 3 solicitation for applications for this program was conducted and grants were awarded that were anticipated to use all of this appropriation. However, at the time of commitment of funds for grant agreements, other funds were remaining from other appropriations that were allocated to some of the Round 3 grants. This leaves \$400,000 that can be allocated in a future grant application solicitation.

A grant application solicitation for the Water Desalination Grant Program using Proposition 1 funds is planned for spring 2016. This reappropriation of Proposition 50 funds will allow them to be combined in the spring solicitation for commitment in FY 2016-2017.

If this request is not approved, DWR would have to initiate a new appropriation for these funds, delaying their use until July 2017 or later.

**Fund 6031 – Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Prop 50) – CALFED Bay-Delta Program (Ch. 7, Section 79550(g)) (3860-101-6031, Program 3230) FY 2013-14 – Budget Act of 2013 (Ch. 20, Stats. 2013) as reappropriated by Item 3860-491, Budget Act of 2014 (Chs. 20 and 354, Stats. 2014)**

**Proposition 50 Water Use Efficiency Grants (\$3,742,377):**

This reappropriation of \$3,742,377 will support water use efficiency grants from previous grant cycles. The funds will also be used to fund the development of agricultural water management plans (AWMP) by mid-sized agricultural water suppliers as required by the Governor's Executive Order (EO) B-29-15 of April 1, 2015.

Funds have not been expended or committed because of delays in executing some of the grant agreements. Also, DWR will be developing grant agreements as applications are received from the mid-sized agricultural water suppliers for the development of their AWMPs following the AWMP Solicitation of October 2015.

If this appropriation is not approved, DWR may not be able to execute the agreements for water use efficiency grants that were previously awarded. Also, DWR will not be able to implement EO B-29-15 mandated to provide assistance to mid-sized agricultural water suppliers to develop AWMPs.

**Fund 6051 – Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Prop 84) – Safe Drinking Water and Water Quality Projects (Ch. 2, Section 75026(a)) (3860-001-6051, Program 3230), FY 2015-16 – Budget Act of 2015 (Ch. 10, Stats. 2015)**

**Proposition 84 Integrated Regional Water Management Grant Program (\$1,011,000):**

This proposal requests to reappropriate the \$1,011,000 FY 2015-16 appropriation in State Operations funding from Proposition 84, Integrated Regional Water Management (IRWM) Program Delivery funds. These funds will be used to support DWR staff to continue administering the grant program that has disbursed over \$900,000,000 in grant funds to local agencies in support of their IRWM plans and programs.

Denial of this request would mean funds will not be available for staff to administer the critical IRWM program. This would delay the implementation of many projects intended to ensure safe drinking water and a reliable supply of water for farms, cities, and businesses, as well as to protect California's rivers, lakes, and streams for this and future generations.

## Analysis of Problem

### **Proposition 84 Water Conservation (\$1,163,609):**

This reappropriation will support the Water Conservation program authorized under Proposition 84, Chapter 2, Section 75026-75027(a)(12) and (b) to implement various water conservation legislation including tasks required by Senate Bill (SB) X7-7 (Steinberg, 2009). These programs help to promote water use efficiency and help California achieve a 20 percent reduction in per capita water use by 2020. Specifically to meet these goals DWR will; provide technical and financial assistance, shared data and information, and incentives to urban and regional water agencies, as well as local governmental agencies; by providing Water Management Planning and water conservation programs such as the California Irrigation Management Information System (CIMIS), Water Efficient Landscapes, Leak Detection, Storm Water Capture, and Grey Water that will increase urban water conservation and energy savings throughout the State.

Dollars have not been expended or committed because staff and State Operations have been redirected for drought emergency activities. These funds are necessary to support State Operations to implement urban and agricultural water conservation programs beginning in FY 2016-17 through FY 2018-19. This funding will be used for staff support and internal and external contracts.

If this request is not approved, continued support for implementing the CA Water Action Plan 2016, SBX 7-7, Urban Water Management Planning Act, and other water conserving mandates such as drought support to the public and local agencies will be compromised.

### **Fund 6051 – Safe Drinking Water, Water Quality, and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Prop 84) – Flood Control (Ch. 3, Section 75032.5) (3860-101-6051, Program 3245) FY 2015-16 – Budget Act of 2015 (Ch. 10, Stats. 2015)**

#### **Flood Corridor Program (\$9,600,000):**

This proposal requests the reappropriation of \$9,600,000 of Local Assistance funding from Proposition 84, Chapter 3, Section 75032.5 to support the FloodSAFE California, long-term strategic initiative to implement the Governor's Water Action Plan, Item 8 – improve flood protection. This will reduce the chance and consequences of flooding, and protect and enhance ecosystems as executed through the DWR's FCP. Remaining dollars have not been committed or expended because the refinement of the next PSP for the FCP and review of its 2010 Guidelines have not yet been completed. Based on the current schedule, the PSP will be advertised publicly in summer 2016, with the internal review, rating, and preliminary funding recommendations completed by late 2016. Final recommendations should be available in spring 2017 with funding commitments beginning in summer 2017, extending into FY 2017-18. In addition, some existing FCP projects are coming in under budget, leaving some Local Assistance funds unspent. The aggregation of other available FCP funding and reappropriations is providing the opportunity for a more robust PSP than initially expected. With all funding sources, a total of approximately \$22,500,000 should be available for the upcoming PSP.

If this request is not approved, the PSP will be reduced by approximately \$5,600,000. The PSP would still be advertised, but for approximately \$16,900,000. Perhaps two or three fewer flood corridor projects would be funded if this reappropriation request is not approved. The funding would revert to Section 75032.5 specifically approved for the FCP. A separate and second PSP would be considered in the future to utilize any remaining program funding, and may be inefficient for such a small amount.

### **Fund 6083 – Water Quality, Supply, and Infrastructure Improvement Fund of 2014 (Prop 1) – Regional Water Security, Climate, and Drought Preparedness (Ch. 7, Section 79744(a)) (3860-001-6083, Program 3230) FY 2015-16 – Budget Act of 2015 (Ch. 10, Stats. 2015)**

#### **Proposition 1 IRWM Grants (\$1,769,984):**

This proposal requests reappropriation of the remaining balance in State Operations funding from Proposition 1, Chapter 7 Program Delivery funds. These funds will be used to fund the DWR staff to administer the grant program that will disburse over \$474,000,000 in grant funds to local agencies in

## Analysis of Problem

support of the Sustainable Groundwater Program. DWR's administrative efforts include: writing guidelines and PSPs; reviewing and ranking proposals; awarding grants to the successful agencies; writing agreements with the agencies; and managing the agreements through the life of the agreement.

Denial of this request would mean funds will not be available for DWR to administer the critical IRWM program including Disadvantaged Communities (DAC) assistance. DAC areas have been looking forward to being able to access to this fund to solve their critical water management needs. This would also delay the implementation of many projects intended to ensure safe drinking water and a reliable supply of water for farms, cities, and businesses, as well as to protect California's rivers, lakes, and streams for this and future generations.

### **Fund 6083 – Water Quality, Supply, and Infrastructure Improvement Fund of 2014 (Prop 1) – Regional Water Security, Climate, and Drought Preparedness (Ch. 7, Section 79746(a)) (3860-001-6083, Program 3230) FY 2015-16 – Budget Act of 2015 (Ch. 10, Stats. 2015)**

#### **Proposition 1 Agricultural Water Conservation (\$3,134,983):**

This reappropriation will support water use efficiency grants authorized under Chapter 7 of Proposition 1. The funds will support staff to administer water use efficiency grants and technical assistance. DWR is in the process of conducting a \$30,000,000 Proposal Solicitation for agricultural water use efficiency grants. Grant awards are expected to be made in the summer of 2016 and the resulting grant agreements will be managed for at least three years thereafter.

The grant funds have not been fully expended or committed as DWR continues to conduct the proposal solicitation process. Additional funding for staff salaries will still be needed for reviewing applications, and awarding grants as well as in the future, for managing executed grant agreements.

If appropriation is not approved, DWR will not be able to fund existing staff positions within the Water Use Efficiency Grant Program to administer water use efficiency grants. DWR will therefore be unable to provide grant funding for local agencies to implement water use efficiency projects and programs as directed by Proposition 1.

#### **Proposition 1 Urban Water Conservation (\$2,516,090):**

This reappropriation will support State Operations for urban water conservation programs appropriated in the Emergency Drought Response BCP approved in the FY 2015-16 Budget. These funds support the State's Model Water Efficient Landscape Ordinance, Urban Water Management Planning, and Water Distribution System Audit programs.

These funds have not been expended as the staff needed for this work were redirected to drought and Proposition 84 tasks. When staff become available to begin the urban water conservation work, these funds will be necessary to support State Operations to implement urban water conservation programs beginning in FY 2016-17 through FY 2018-19. This funding will be used for staff support and internal and external contracts.

If this request is not approved, DWR will be unable to provide water conservation technical assistance to urban water suppliers including the review of urban water management plans, and the implementation of the State's Model Water Efficient Landscape Ordinance.

### **Fund 6083 – Water Quality, Supply, and Infrastructure Improvement Fund of 2014 (Prop 1) – Water Recycling (Ch. 9, Section 79765) (3860-001-6083, Program 3230) FY 2015-16 – Budget Act of 2015 (Ch. 10, Stats. 2015)**

#### **Proposition 1 Desalination Grants (\$441,000):**

This reappropriation of \$441,000, or the remaining balance, will support the State Operations for the water desalination funding program authorized in Chapter 9 of Proposition 1, which is administered by

## Analysis of Problem

the Water Desalination Grant Program. This program was established to provide grant assistance to local agencies and other entities for water desalination projects.

Dollars have not been fully expended as the staff needed for this work were redirected to drought activities and the Proposition 50 desalination grant program. These other activities are expected to subsidize, relieving staff to implement Proposition 1 funding.

If this request is not approved, the implementation of Proposition 1 funding for water desalination grants will be delayed.

### **Fund 6083 – Water Quality, Supply, and Infrastructure Improvement Fund of 2014 (Prop 1) – Groundwater Sustainability (Ch. 10, Section 79775) (3860-001-6083, Program 3230) FY 2015-16 – Budget Act of 2015 (Ch. 10, Stats. 2015)**

#### **Proposition 1 Groundwater Grants (\$938,765):**

This proposal requests reappropriation of the remaining balance in State Operations funding from Chapter 10, Proposition 1 Program Delivery funds. These funds will be used to fund the DWR staff efforts to administer the grant program that will disburse \$93,000,000 in grant funds to local agencies in support of the Sustainable Groundwater Program. DWR's administrative efforts include: writing guidelines and PSPs; reviewing and ranking proposals; awarding grants to the successful agencies; writing agreements with the agencies; and managing the agreements through the life of the agreements.

Denial of this request would mean funds will not be available for DWR staff to administer the critical Sustainable Groundwater Planning Grant Program. This would also hinder the implementation of other DWR programs under the Sustainable Groundwater Management Act.

### **Fund 6083 – Water Quality, Supply, and Infrastructure Improvement Fund of 2014 (Prop 1) – Regional Water Security, Climate, and Drought Preparedness (Ch. 7, Section 79746(a)) (3860-101-6083, Program 3230) FY 2015-16 – Budget Act of 2015 (Ch. 10, Stats. 2015)**

#### **Proposition 1 Agricultural Water Conservation (\$33,000,000):**

This proposal requests the reappropriation of \$33,000,000 of Proposition 1 funding. These funds were authorized under Chapter 7 of Proposition 1 for water use efficiency grants. The funds will be used to provide grants for the implementation of water use efficiency projects and programs statewide. DWR is in the process of conducting a \$30,000,000 proposal solicitation for agricultural water use efficiency grants. Grant awards are expected to be made in the summer of 2016 and the resulting grant agreements will be managed for at least three years thereafter.

Funds have not been expended or committed because of the lengthy process for conducting proposal solicitation, reviewing applications, and awarding grants. The proposal solicitation process is currently underway, and awards are expected to be made in summer of 2016.

If this request is not approved, DWR will be unable to implement the directive of Proposition 1 to provide grant funding for local agencies to implement water use efficiency projects and programs.

### **Fund 6083 – Water Quality, Supply, and Infrastructure Improvement Fund of 2014 (Prop 1) – Groundwater Sustainability (Ch. 10, Section 79775) (3860-101-6083, Program 3230) FY 2015-16 – Budget Act of 2015 (Ch. 10, Stats. 2015)**

#### **Proposition 1 Groundwater Grants (\$3,310,618):**

As part of the Proposition 1 Sustainable Groundwater Planning Grant Program, prior appropriations included \$10,000,000 funding for DWR to award, on a competitive basis, to counties for groundwater planning activities with specific eligible criteria. On December 8, 2015, DWR received 23 grant applications requesting a total of approximately \$7,000,000. Upon reviewing the applications, DWR is

## Analysis of Problem

recommending to award \$6,689,382 to 21 eligible proposals. As a result, DWR is not able to award \$3,310,618 to meet this specific language of appropriation.

Denial of this request would mean funds will not be available to fund planning activities for the program under the Sustainable Groundwater Management Act.

**REAPPROPRIATIONS (CAPITAL OUTLAY):** Reappropriation of the balance remaining for the following funds to June 30, 2019 is requested.

**Fund 6051 – Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Prop 84) – Flood Control (Chapter 3, Section 75033) (3860-301-6051 Program 3245) FY 2010-11 –Budget Act of 2010 (Ch. 712, Stats. 2010) as reappropriated by Item 3860-492 – Budget Act of 2013 (Ch. 20, Stats. 2013)**

**(2) 0000268 - Land Acquisition for Mitigation Banks to Support Delta Levee Repairs (3860309502600100) \$1,094,000:**

This reappropriation of \$1,094,000 will support the Land Acquisition for Mitigation Banks to Support Delta Levee Repairs, which was established to create a mitigation/enhancement site for the Delta Levees Program. These funds have not yet been fully committed or expended, primarily, because it has taken several years to locate the appropriate property within the legal allotment of the Delta and work through legal issues surrounding the surface mineral rights. The reappropriated funds will support current staff working to establish a weed abatement contract to initiate work in the spring of 2016. Also the funds will support completing a Mineral Remoteness Evaluation on one of the parcels, and completing the decommission and relocation of a California Irrigation Management Information System weather station. The remaining funds are necessary for pond and berm construction, upland land contouring, purchase and placement of plants, and installation of the irrigation system.

If this request is not approved, these funds and the discontinuation of this spending authority will delay the Delta Levees Programs' ability to achieve the necessary habitat mitigation associated with levee work. It would also delay levee projects if regulatory agencies cannot be satisfied that the mitigation obligations will be met through these projects.

**EXTENSIONS OF LIQUIDATION (STATE OPERATIONS):** Extension of the liquidation periods for the balance remaining for the following funds to June 30, 2018 is requested.

**Fund 0140 – California Environmental License Plate Fund (3860-001-0140, Program 3240) FY 2011-12 - Budget Act of 2011 (Ch. 33, Stats. 2011), as reappropriated by Item 3860-493, Budget Act of 2014 (Ch. 25, Stats. of 2014)**

**Mercury and Methylmercury Monitoring and Control Studies (\$185,967):**

The extension of liquidation in the amount of \$185,967 of the remaining balance will support the Mercury and Methylmercury Monitoring and Control Studies BCP. The BCP was established to ensure that DWR was in compliance with the federally and State mandated Delta Mercury Control Program (DMCP). DMCP requires DWR and other agencies to conduct mercury control studies to identify strategies, which reduce mercury and methylmercury concentrations in Delta fish tissues. The first phase of the DMCP runs through October 2018.

Funds have not been fully expended. Program staff were unable to use encumbered funds until a study work plan was approved by the Regional Board. The approval caused a delay for almost a year, which was outside of DWR's control.

Meanwhile, the studies have begun and the encumbered funds have been used to provide analytical and modeling support; however, an extension will be needed. The extension will ensure funds are

## Analysis of Problem

available to reimburse the contractors. Unfortunately, a comparison of the previous year's funding would not apply because the encumbered funds are being used as planned.

If this request is not approved, DWR will lack adequate funding to complete the methylmercury studies mandated by the DMCP. If the studies are not completed, DWR could be out of compliance and may be subject to escalated regulatory action by the Regional Board. These actions would likely include a more stringent and costly process for DWR to receive Clean Water Act 401 Water Quality Certifications and waste discharge permits. DWR programs that would be affected include the Fish Restoration Program Agreement, the Long-term Operations Criteria and Plan Biological Opinions, and Eco Restore.

**Fund 6010 – Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Act (Prop 13) – Yuba Feather Flood Protection Program (Ch. 5, Section 79068) (3860-101-6010, Program 3245) FY 2011-12 – Budget Act of 2011 (Ch. 33, Stats. 2011) as reappropriated by Item 3860-491, Budget Act of 2012 (Chs. 21 & 29, Stats. 2012)**

**Yuba Feather Flood Protection Program (\$656,872):**

This extension of liquidation of \$656,872 of Local Assistance from Proposition 13, Chapter 5, Section 79068, will support the Yuba Feather Flood Protection Program established to implement flood risk reduction projects for the Yuba River and Feather River watersheds and tributaries. The remaining project on this fund and fund center is the Oroville Wildlife Area project which will improve the connectivity of the Feather River to its historic floodway and reduce stage in the main channel. Dollars have not been expended because of an increased complexity in environmental documentation and permitting of the work. The local agency has been informed that the program will be closing soon, and all work must be completed no later than June 2017. No additional extensions will be granted without extenuating circumstances. The estimated completion date of the extended funding is July 2017.

If this request is not approved, all modeling, design, and permitting activity will stop on the project, and investments made to date will be shelved until a future funding source becomes available. Alternatives may change, and institutional knowledge of the project team may fade, resulting in higher costs to bring the project team up to speed on remaining work to be completed. Meanwhile, an opportunity to reduce flood stage in the Feather River main channel will be delayed, delaying the flood risk reduction benefits of the project.

**Fund 6026 – Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Act (Prop 13) – Bay Delta Multipurpose Water Management Subaccount (Ch 9, Section 79194) (3860-001-6026 Program 3230) FY 2007-08 –, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), as reappropriated by Item 3860-490, Budget Act of 2007 (Ch. 171 and 172, Stats. 2007), Item 3860-492, Budget Act of 2008 (Chs. 268 and 269, Stats. 2008), and Item 3860-490, Budget Act of 2010 (Ch. 712, Stats. 2010),as reappropriated by Item 3860 -491 – Budget Act of 2014 (Ch. 25, Stats. 2014)**

**Proposition 13 CalFed Ecosystem Water Quality Project Program (\$7,981,822):**

This proposal requests to extend the period of liquidation of the remaining balance of the funds appropriated from Local Assistance from Proposition 13 FloodSAFE Environment Stewardship and Statewide Resources Office (FESSRO) fund. The funding committed to the interagency agreement, to continue implementing Water Code Section 79190 which allows for obligations of admitting grant solicitations. DWR has established an interagency agreement with the Department of Fish and Wildlife (DFW) to fund projects that fulfill the requirements of this law.

If this request is not approved, DWR will not be able to pay invoices for current work and will need to terminate the agreement with DFW which will, in turn, require DFW to terminate agreements with project proponents. In addition to leaving projects incomplete this would incrementally increase adverse impacts on salmon and other species listed under the Endangered Species Act and further threaten the vitality of the Delta.

**Fund 6031 – Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Prop 50) – Integrated Regional Water Management (Ch.8, Section 79560), (3860-101-6031, Program 3230) FY 2003-04 – Budget Act of 2003 (Ch. 157, Stats. 2003), as reappropriated by Item 3860-491, Budget Act of 2004 (Ch. 208, Stats. 2004), Item 3860-491 and Item 3860-492, Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), Item 3860-491, Budget Act of 2008 (Chs. 268 and 269, Stats. 2008), as reverted by Item 3860-495, Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.), as reappropriated by Item 3860-492, Budget Act of 2010 (Ch. 712, Stats. 2010), as reappropriated by Item 3860-493 and reverted by Item 3860-496, Budget Act of 2012 (Chs. 21 and 29, Stats. 2012), and as reverted by Item 3860-496, Budget Act of 2013 (Chs. 20 and 354, Stats. 2013), as reappropriated by Item 3860-493, Budget Act of 2014 (Ch.25, Stats. 2014)**

**Integrated Regional Water Management (\$3,610,770):**

This proposal requests to extend the period of liquidation of the balance of remaining funds appropriated from Local Assistance funding from Proposition 50, Chapter 8 IRWM fund. These funds support 11 active Proposition 50 IRWM grants. Each grant contains multiple individual projects. Although more projects may be completed by the time of the current liquidation period expires, it is anticipated that not all projects will be completed and/or fully invoiced at that time.

Denial of this request would mean funds will not be available to reimburse the grantees for work completed and invoiced after FY 2015-16. This would be in violation of the agreements and could lead to claims against DWR. Addressing such claims would require additional State resources.

**Fund 6031 – Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Prop 50) – Integrated Regional Water Management (Ch.8, Section 79560), (3860-101-6031, Program 3230) FY 2007-08, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), as reappropriated by Item 3860-493, Budget Act of 2008 (Chs. 268 and 269, Stats. 2008), Item 3860-493, Budget Act of 2012 (Chs. 21 and 29, Stats. 2012), as reverted by Item 3860-495, Budget Act of 2013 (Chs. 20 and 354, Stats. 2013), as reappropriated by Item 3860-493, Budget Act of 2014 (Ch.25, Stats. 2014)**

**Integrated Regional Water Management Program Implementation (\$17,704):**

This proposal requests to extend the period of liquidation of the balance of remaining funds appropriated from Local Assistance funding from Proposition 50 IRWM, Chapter 8 fund. The \$17,704 is related to two Proposition 50 IRWM grants. These grants are near closure and extension of the liquidation period ensures the funds will be available to the grantees at the time the grants close.

Denial of this request would mean funds will not be available to reimburse the grantees for work completed and invoiced after FY 2015-16. This would be in violation of the agreements and could lead to claims against DWR. Addressing such claims would require additional State resources.

**Local Assistance Integrated Regional Water Management Program Implementation (\$17,145,125):**

This proposal requests to extend the period of liquidation of the balance of remaining funds appropriated from Local Assistance funding from Proposition 50 IRMW, Chapter 8 fund. These funds support 7 active Proposition 50 IRWM grants. Each grant contains multiple individual projects. Although more projects may be completed by the time the current liquidation period expires, it is anticipated that not all projects will be completed and/or fully invoiced at that time.

Denial of this request would mean funds will not be available to reimburse the grantees for work completed and invoiced after FY 2015-16. This would be in violation of the agreements and could lead to claims against DWR. Addressing such claims would require additional State resources.

**Fund 6031 – Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Prop 50) – Integrated Regional Water Management (Ch.8, Section 79560), (3860-101-6031, Program 3230) FY 2009-10, Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.), as reappropriated by Item 3860-490, Budget Act of 2010 (Ch. 712, Stats. 2010), as reappropriated by Item 3860-493, Budget Act of 2014 (Ch.25, Stats. 2014)**

**Integrated Regional Water Management Program Implementation (\$110,358):**

This proposal requests to extend the period of liquidation of the balance of remaining funds appropriated from Local Assistance funding from Proposition 50 IRWM, Chapter 8 fund. The \$110,358 is related to a single Proposition 50 IRWM grant. This grant is near closure and extension of the liquidation period ensures the funds will be available to the grantee at the time the grant closes.

Denial of this request would mean funds will not be available to reimburse the grantee for work completed and invoiced after FY2015-16. This would be in violation of the agreement and could lead to claims against DWR. Addressing such claims would require additional State resources.

**Fund 6051 – Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Prop 84) – Flood Control (Ch. 3, Section 75032.5) (3860-101-6051 Program 3245) FY 2007-08 – Budget Act of 2007 (Chs. 171 and 172, Stats. 2007), as reappropriated by Item 3860-492, Budget Act of 2010 (Ch. 712, Stats. 2010), as reverted by Item 3860-495, Budget Act of 2010 (Ch. 712, Stats. 2010), as reappropriated by Item 3860-493, Budget Act of 2012 (Chs. 21 and 29, Stats. 2012), as reappropriated by Item 3860-493, Budget Act of 2014 (Ch. 25, Stats. 2014)**

**Flood Protection Corridor (\$6,100,000):**

This proposal requests the extension of liquidation of approximately \$6,100,000 of Local Assistance funding from Proposition 84, Chapter 3, Section 75032.5 because dollars have not been expended due to 1) complications due to discovery of cultural resources at a construction project site, 2) delays in finalizing local agency conservation easement documents, and 3) construction delays due to winter rains. The Flood Protection Corridor Program is providing limited extensions to contracts to allow local agencies to work through the complications, and await dry weather for construction activities. No additional delays will be granted without extenuating circumstances. The estimated completion date of the extended funding is July 2017.

If this request is not approved, construction will stop on two projects, floodwaters could seriously damage millions of dollars in ecosystem habitat and nine special status species that use enhanced habitat already constructed, two projects habitat areas will be at risk for degradation or incompatible uses without executed conservation easements, and one project would be cancelled, leaving the public at continued flood risk along Alamo Creek in the City of Vacaville.

**Fund 6051 – Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Prop 84) – Flood Control (Chapter 3, Section 75033) (3860-101-6051 Program 3245) FY 2009-10 –Budget Act of 2009 (Ch.1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.), as reappropriated by Item 3860-490, Budget Act of 2010 (Ch. 712, Stats. 2010), as reappropriated by Item-3860-491, Budget Act of 2012 (Ch. 21 and 29, Stats. 2012)**

**Proposition 84 Delta Levees Local Assistance Strategic Plan Dutch Slough (\$3,900,000):**

This proposal requests to extend the liquidation period of the remaining balance of the funds appropriated from Local Assistance from Proposition 84 FloodSAFE Environment Stewardship and Statewide Resources Office (FESSRO) fund. The extension of liquidation is needed to retain committed funds that support the Dutch Slough Tidal Marsh Restoration Project established to meet the Delta habitat improvement mandate of the Delta Levees Program legislation. An extension of the fund

## Analysis of Problem

liquidation period is necessary so that these funds are available to pay for the construction of Phase One. The funds will be expended within twelve months of construction initiation.

If this request is not approved, the funding will revert and the restoration project will not be completed. This would negatively impact the ability of the Delta Levees Program to meet its legislative mandate, or fulfill the restoration goals of DWR's Strategic Plan, the California Water Action Plan, and the Delta Plan.

**Fund 6051 – Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Prop 84) – Flood Control (Ch. 3, Section 75033) (3860-503-6051, Program 3245) FY 2008-09 - Paragraph (3) of subdivision (b) of Section 83002 of the Water Code, as reappropriated by Item 3860-490, Budget Act of 2010 (Ch. 712, Stats. 2010) and Item 3860-491, Budget Act of 2012 (Chs. 21 and 29, Stats. 2012)**

### **Flood Emergency Response Grants (\$1,030,377):**

This proposal requests the extension of liquidation of \$1,030,377 from Proposition 84, Chapter 3, Section 75033 to support the Delta Communications Grants. Dollars have not been expended because, as is often the case with large complex projects, unforeseen issues and difficulties arose along the way, especially with the construction of the communications tower. There are six recipients, Solano County, San Joaquin County, Yolo County, Sacramento County, Contra Costa County and Bethel Island who are all cooperating on a project to improve emergency communications. The lead agency, Sacramento County, is responsible for construction of a communications tower. Several of the other counties had to wait until the completion of the tower before being able to complete their part of the project. Most of the counties have already amended their contracts for time; currently the contracts all expire on April 15, 2016. However, the final close out may not happen until after the current liquidation date, therefore the Division of Flood Management is requesting that the fund be extended.

If this request is not approved, DWR will be unable to pay the final invoices for reimbursement submitted by the grant recipients.

**Fund 6051 – Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Prop 84) - Integrated Regional Water Management (Ch.8, Section 79560), (3860-503-6051, Program 3230) FY 2008-09 – Paragraph (3) of subdivision (b) of Section 83002 of the Water Code, as reappropriated by Item 3860-490, Budget Act of 2010 (Ch. 712, Stats. 2010) and Item 3860-491, Budget Act of 2012 (Chs. 21 and 29, Stats. 2012), as reappropriated by Item 3860-493, Budget Act of 2014 (Ch.25, Stats. 2014)**

### **Integrated Regional Water Management (Tulare County) (\$51,760):**

This proposal requests to extend the liquidation period of the remaining balance of the funds appropriated from Local Assistance funding from Proposition 84 IRWM fund. Grant agreements are near closure and extension of the liquidation period will ensure the funds will be available to make the retention payments to the grantees at the time the grants close.

Denial of this request would mean funds will not be available to reimburse the grantees for work completed and invoiced after FY 2015-16. This would be in violation of the agreements and could lead to claims against DWR. Addressing such claims would require additional State resources.

**Fund 6051 – Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Prop 84) – Flood Control (Ch. 3, Section 75033) (3860-603-6051, Program 3245) FY 2008-09 – Paragraph (5) of subdivision (b) of Section 83002 of the Water Code, as reappropriated by Item 3860-493, Budget Act of 2012 (Chs. 21 and 29, Stats. 2012), as reappropriated by Item 3860-493, Budget Act of 2014 (Ch. 25, Stats 2014)**

**Proposition 84 Local Assistance Delta Levees Special Projects (\$18,083,052):**

This proposal requests to extend the period of liquidation of the balance of remaining funds appropriated from the Local Assistance Proposition 84 FESSRO funding. This extension of liquidation will support the Delta Levee System Integrity Program established to provide Local Assistance funding for the Delta Levees Special Projects. An extension of the fund liquidation period is necessary to fulfill commitments for levee improvements that will safeguard water supply reliability and infrastructure of statewide significance.

If this request is not approved, the funding will revert and these projects will not be completed. This would negatively impact the State's water supply reliability and local sponsors by increasing costs and not allowing for State payments to local agencies under existing agreements. This would place the residents of the Sacramento-San Joaquin Delta area in continued risk until these projects could be restarted.

**Fund 6051 – Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Prop 84) – Flood Control (Ch.3, Section 75050 (e)) (3860-603-6051, Program 3245) FY 2008-09 – Paragraphs (3) to (7), inclusive, of subdivision (b) of Section 83002 of the Water Code as reappropriated by Item 3860-490, Budget Act of 2010 (Ch. 712, Stats. 2010), as reappropriated by Item 3860-493 – Budget Act of 2012 (Ch. 21 and 29, Stats. 2012)**

**Proposition 84 Local Assistance Urban Streams Restoration Program (\$3,703,503):**

This proposal requests to extend the period of liquidation of the balance remaining from funds appropriated from Local Assistance Proposition 84 Urban Streams Restoration Program (USRP) fund. This request to extend the liquidation period will continue to enable payments to grantees as the projects are completed. The USRP awarded \$7,300,000 in grants to 12 projects, 9 of which are currently under way.

If the liquidation period is not extended, DWR will not be able to pay invoices for work completed and will have to terminate all grants from this grant cycle, leaving projects incomplete. Local project sponsors (local agencies and non-governmental organizations) that have been implementing the projects would face financial hardship and disruption to their programs. Project co-sponsors would suffer similar hardships and credibility and operating problems going forward.

**Fund 6051 – Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Prop 84) – Safe Drinking Water and Water Quality Projects (Ch.2, Section 75029(d)) (3860-603-6051, Program 3230) FY 2009-10 Paragraph (4) of subdivision (b) of Section 83002 of the Water Code, as reappropriated by Item 3860-490, Budget Act of 2010 (Ch. 712, Stats. 2010), as reappropriated by Item 3860-491, Budget Act of 2012 (Chs. 21 and 29, Stats. 2012) as reappropriated by Item 3860-491, Budget Act of 2014, (Ch. 25, Stats. of 2014)**

**Delta Agreement and Drinking Water Intake (\$441,210):**

This extension of liquidation in the amount of \$441,210 of the remaining balance will support the Propositions 84 Delta Agreement & Drink Water Intake Local Assistance program. The program was established to relocate drinking water intake facilities for in-delta water users, as identified in the June 2005 Delta Region Drinking Water Quality Management Plan. Funds have not been expended due to the request of a time extension agreement amendment by Solano County Water Agency (Solano). The executed amendment extended the funding through December 31, 2016. However, the project was behind schedule, due to reasons beyond Solano's control, as a result, an extension will likely be needed in June 2016. These funds may extend to the second half of 2016 but will close out the agreement.

## Analysis of Problem

If this request is not approved, the agreement may not fully exhaust the funds intended for this project. In turn, Solano may not have the funds to continue the final Environmental Impact Report for the North Bay Aqueduct Alternate Intake.

**Fund 6051 – Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Prop 84) – Statewide Water Planning and Design (Ch. 4, Section 75041) (3860-001-6051, Program 3230), Budget Act of 2013 (Chs. 10, Stats. 2013) as reappropriated by Item 3860-491 Budget Act of 2014 (Ch. 25, Stats. 2014)**

**California Water Plan (\$142,789):**

This extension of liquidation will support the Multi-Benefit Planning and Feasibility Studies BCP established to receive broad input and support from Californians in producing a strategic water plan that: meets California Water Code requirements; guides State investments in innovation and infrastructure; and advances integrated water management and sustainable outcomes.

Dollars have not been expended because of a delay to the engagement process. Other high priority projects (California Water Action Plan and Drought Response) took priority over the development of the California Water Plan Update. The California Water Plan Update process is anticipated to be fully engaged for the next three years.

**California Water Plan Activities Support (\$290,000):**

This extension of liquidation will support the Multi-Benefit Planning and Feasibility Studies BCP established to receive broad input and support from Californians in producing a strategic water plan that: meets California Water Code requirements; guides State investments in innovation and infrastructure; and advances integrated water management and sustainable outcomes.

Dollars have not been expended because of a delay to the engagement process. Other high priority projects (California Water Action Plan and Drought Response) took priority over the development of the California Water Plan Update. The California Water Plan Update process is anticipated to be fully engaged for the next three years.

**EXTENSIONS OF LIQUIDATION (CAPITAL OUTLAY):** Extension of the liquidation periods for the balance remaining for the following funds to June 30, 2019 is requested.

**Fund 0001 – General Fund (3860-301-0001, Program 3230) FY 2005-06 - Budget Act of 2005 (Chs. 38 and 39, Stats. 2005), as partially reappropriated by Item 3860-490, Budget Act of 2008 (Chs. 268 and 269, Stats. 2008), and Item 3860-491 and Item 3860-493, Budget Act of 2010 (Ch. 712, Stats. 2010), as reappropriated by Item 3860-491 Budget Act of 2013 (Ch. 20, Stats. 2013)**

**Terminus Dam, Lake Kaweah Project**

(6) 0000299 (3860309528000300)

\$300,195 (General Fund)

(8) 0000299 (38603095280R0300)

\$1,192,200 (Reimbursements)

This proposal requests the extension of the liquidation period of the remaining balance of funds appropriated from General Fund and General Fund Reimbursement from the Division of Flood Management. This extension of liquidation will support the Terminus Dam, Lake Kaweah Project. The Terminus Dam, Kaweah Delta California Flood Control Project will increase the level of flood protection for the City of Visalia, improving flood protection for approximately 300,000 acres of agricultural/crop land along the Kaweah River and downstream in the Tulare Lake area, and increase the dependability of irrigation water supply for the region. This request avoids termination of funding for a project that is almost completed in its entirety and will allow DWR to meet the obligations of state oversight and project management responsibilities.

## Analysis of Problem

If this request is not approved, DWR will not be able to pay for closeout costs to the USACE that it is contractually obligated to. The State will thereby not be able to complete the project closeout leaving the obligations of project management and state oversight unfulfilled as the benefits of improving flood protection will be incomplete.

### **REVERSIONS:**

The following reversions are requested to clean up the bond balance reports so that future appropriations will not appear to over-allocate these sections of the bond:

\$56,588: Fund 6010 – Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act (Prop 13) – Yuba Feather Flood Protection Program (Ch. 5, Section 79068) (3860-101-6010, Program 3245) FY 2012-13 – Budget Act of 2012 (Chs. 21 and 29, Stats. 2011), as reappropriated by Budget Act of 2013 (Ch. 20, Stats. 2013)

\$200,666: Fund 6010 – Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act (Prop 13) – Yuba Feather Flood Protection Program (Ch. 5, Section 79068) (3860-001-6010, Program 3245) FY 2014-15 – Budget Act of 2014 (Ch. 25, Stats. 2014)

\$14,999,999: Fund 6023 – Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act (Prop 13) – Water Conservation Program (Ch. 8, Section 79157) (3860-101-6023, Program 3230) FY 2009-10 – Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.), as reappropriated by Item 3860-490, Budget Act of 2010 (Ch. 712, Stats. 2010), as reappropriated by Budget Act of 2014 (Ch. 25, Stats. 2014).

\$3,740,000: Fund 6023 – Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act (Prop 13) – Water Conservation Program (Ch. 8, Section 79157) (3860-101-6023, Program 3230) FY 2011-12 – Budget Act of 2012 (Chs. 21 and 29, Stats. 2012), as reappropriated by Budget Act of 2013, (Ch. 20, Stats. 2013)

\$413,778: Fund 6023 – Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act (Prop 13) – Water Conservation Program (Ch. 8, Section 79157) (3860-001-6023, Program 3230) FY 2014-15 – Budget Act of 2014, (Ch. 25, Stats. 2014).

\$17,000,000: Fund 6023 – Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act (Prop 13) – Water Conservation Program (Ch. 8, Section 79157) (3860-101-6023, Program 3230) FY 2014-15 – Budget Act of 2014, (Ch. 25, Stats. 2014).

\$375,000: Fund 6023 – Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act (Prop 13) – Water Conservation Program (Ch. 8, Section 79157) (3860-001-6023, Program 3230) FY 2015-16 – Budget Act of 2015, (Ch.10, Stats. 2015).

\$272,000: Fund 6051 – Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Prop 84) – Flood Control, Ch. 3, Section 75033 – (3860-603-6051, Program 3245), FY 2008-09 – Paragraph (5) of subdivision (b) of Section 83002 of the Water Code, as reappropriated by Item 3860-493, Budget Act of 2012 (Chs. 21 and 29, Stats. 2012), as reappropriated by Item 3860-493, Budget Act of 2014 (Ch. 25, Stats. 2014)

\$1,799,045: Fund 6051 – Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Prop 84) – Safe Drinking Water and Water Quality Projects, Ch 2, Section 75027 – (3860-001-6051, Program 3230) FY 2012-13 – Budget Act of 2012 (Chs. 21 and 29, Stats. 2012) as reappropriated by Item 3860-491, Budget Act of 2014 (Ch. 25, Stats. 2014)

\$55,402: Fund 6051 – Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Prop 84) – Safe Drinking Water and Water Quality Projects, Ch 2, Section 75029(a) – (3860-001-6051, Program 3230) FY 2012-13 – Budget Act of 2012 (Chs. 21 and 29, Stats. 2012) as reappropriated by Item 3860-491, Budget Act of 2014 (Ch. 25, Stats. 2014)

## Analysis of Problem

\$562,449: Fund 6051 – Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Prop 84) – Statewide Water Planning and Design, Ch. 4, Section 75041 – (3860-001-6051, Program 3230) FY 2012-13 – Budget Act of 2012 (Chs. 21 and 29, Stats. 2012) as reappropriated by Item 3860-491, Budget Act of 2014 (Ch. 25, Stats. 2014)

\$292,457: Fund 6051 – Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Prop 84) - Protection of Rivers, Lakes, and Streams, Ch. 5, Section 75050(e) - (3860-001-6051, Program 3230) FY 2012-2013 – Budget Act of 2012 (Chs. 21 and 29, Stats. 2012) as reappropriated by Item 3860-491, Budget Act of 2014 (Ch. 25, Stats. 2014)

\$71,098: Fund 6051 – Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Prop 84) – Statewide Water Planning and Design, Ch. 4, Section 75041 – (3860-001-6051, Program 3230) FY 2013-14 – Budget Act of 2013 (Chs. 20 and 354, Stats. 2013) as reappropriated by Item 3860-491, Budget Act of 2014 (Ch. 25, Stats. 2014)

\$286,326: Fund 6051 – Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Prop 84) – Protection of Rivers, Lakes, and Streams, Ch. 5, Section 75050(e) - (3860-001-6051, Program 3230) FY 2013-2014 – Budget Act of 2013 (Chs. 20 and 354, Stats. 2014) as reappropriated by Item 3860-491, Budget Act of 2014 (Ch. 25, Stats. 2014)

\$513,913: Fund 6051 – Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Prop 84) – Statewide Water Planning and Design, Ch. 4, Section 75041 – (3860-001-6051, Program 3230) FY 2014-15 – Budget Act of 2014 (Ch. 25, Stats. 2014)

\$203,976: Fund 6051 – Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Prop 84) – Protection of Rivers, Lakes, and Streams, Ch. 5, Section 75050(e) - (3860-001-6051, Program 3230) FY 2014-2015 – Budget Act of 2014 (Ch. 25, Stats. 2014)

\$200,000: Fund 6051 – Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Prop 84) – Protection of Rivers, Lakes, and Streams, Ch. 5, Section 75050(e) - (3860-001-6051, Program 3230) FY 2015-2016 – Budget Act of 2015 (Ch. 10, Stats. 2015)

### **LINE ITEM REDUCTIONS**

DWR is requesting the following items be removed from Budget Act of 2016. The funds requested are no longer available as the remaining funds in Sacramento Valley Water Management and Habitat Protection Subaccount and Water Conservation Account were used pursuant to Chapter 188, Statutes of 2014, the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1).

~~3860-001-0544—For support of Department of Water Resources, payable from the Sacramento Valley Water Management and Habitat Protection Subaccount..... 27,000~~  
Schedule:

~~(1) 3230-Continuing Formulation of the California Water Plan..... 27,000~~

~~Provisions:~~

~~(1) The amounts appropriated in this item may be transferred to the Water Resources Revolving Fund (0691) for direct expenditure in such amounts as needed to meet operational needs.~~

~~3860-001-6023—For support of Department of Water Resources, payable from the Water Conservation Account..... 375,000~~  
Schedule:

~~(1) 3230-Continuing Formulation of the California Water Plan..... 375,000~~

~~Provisions:~~

~~(1) The amounts appropriated in this item may be transferred to the Water Resources Revolving Fund (0691) for direct expenditure in such amounts as needed to meet operational needs.~~

**TECHNICAL ADJUSTMENTS AND CORRECTIONS**

DWR is requesting a Technical Correction pursuant to errors inadvertently created during the data conversion process from legacy system into FISCAL including duplicated reductions and adjustments to budget change proposal program funding.

3860-001-0001 – For support of Department of Water Resources.....	147,413,000	152,738,000
(1) 3230-Continuing Formulation of the California Water Plan.....	411,907,000	117,082,000
(2) 3240 Implementation of the State Water Resources Development System.....		386,000
(3) 3245-Public Safety and Prevention of Damage.....	57,879,000	58,030,000
(4) 3250-Central Valley Flood Protection Board.....		13,416,000
(5) 3255-Services.....	6,739,000	6,738,000
(6) 9900100-Administration.....	94,360,000	95,847,000
(7) 9900200-Administration—Distributed.....	=94,360,000	=95,847,000
(8) Reimbursements to 3230-Continuing Formulation of the California Water Plan.....		
.....	-18,387,000	-18,562,000
(9) Reimbursements to 3240-Implementation of the State Water Resources Development System.....		-386,000
(10) Reimbursements to 3245-Public Safety and Prevention of Damage.....	9,379,000	9,204,000

3860-001-6005 — For support of Department of Water Resources, payable from the Flood Protection Corridor. Subaccount.....560,000 120,000

Schedule:

(1) 3245-Public Safety and Prevention of Damage.....560,000 120,000

Provisions:

1. The amounts appropriated in this item may be transferred to the Water Resources Revolving Fund (0691) for direct expenditure in such amounts as needed to meet operational needs.

3860-001-6026—For support of Department of Water Resources, payable from the Bay-Delta Multipurpose Water Management Subaccount..... 350,000 790,000

Schedule:

(1) 3230-Continuing Formulation of the California Water Plan..... 350,000 790,000

Provisions:

1. The amounts appropriated in this item may be transferred to the Water Resources Revolving Fund (0691) for direct expenditure in such amounts as needed to meet operational needs.

3860-001-6031—For support of Department of Water Resources, payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002..... 2,241,000

Schedule:

(1) 3230-Continuing Formulation of the California Water Plan..... 1,663,000 1,821,000

(2) 3245-Public Safety and Prevention of Damage..... 578,000 420,000

Provisions:

1. The amounts appropriated in this item may be transferred to the Water Resources Revolving Fund (0691) for direct expenditure in such amounts as needed to meet operational needs.

3860-001-6051—For support of Department of Water Resources, payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006.....9,040,000

Schedule:

(1) 3230-Continuing Formulation of the California Water Plan..... 6,111,000 6,316,000

(2) 3245-Public Safety and Prevention of Damage..... 2,929,000 2,724,000

Provisions:

1. The amounts appropriated in this item may be transferred to the Water Resources Revolving Fund (0691) for direct expenditure in such amounts as needed to meet operational needs.

## Analysis of Problem

3860-101-6051—For local assistance, Department of Water Resources, payable from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006...

60,800,000

Schedule:

(1) 3230-Continuing Formulation of the California Water Plan.....	800,000	
(2) (1)3245-Public Safety and Prevention of Damage.....	60,800,000	60,000,000

Provisions:

1. Of the amount appropriated in this item, \$60,000,000 is available for Flood Protection and shall be available for expenditure until June 30, 2018, and available for liquidation until June 30, 2020.
2. Of the amount appropriated in this item, \$800,000 is available for Riverine Stewardship Technical Assistance and shall be available for expenditure until June 30, 2018, and available for liquidation until June 30, 2020.

3860-001-0890—For support of Department of Water Resources, payable from the Federal Trust Fund.... 13,646,000

Schedule:

(1) 3230-Continuing Formulation of the California Water Plan.....	5,310,000	5,386,000
(2) 3240-Implementation of the State Water Resources Development System.....		3,990,000
(3) 3245-Public Safety and Prevention of Damage.....	3,317,000	3,242,000
(4) 3255-Services.....	1,029,000	1,028,000

Provisions:

1. The amounts appropriated in this item may be transferred to the Water Resources Revolving Fund (0691) for direct expenditure in such amounts as needed to meet operational needs.

### C. State Level Considerations

N/A

### D. Justification

Reappropriation of these funds is critical for completion of various studies and projects with funding that cannot be completely committed by June 30, 2016. Allowing additional time for commitment will ensure that the progress made and investment to date of valuable resources will not be lost.

Extension of liquidation periods is critical for completion of various studies and projects that are underway, but cannot be completed by the June 30, 2016 reversion date. Allowing additional time for completion will ensure that the progress and investment made so far will not be lost.

Technical adjustments of various funds are critical to reflect current and accurate information.

### E. Outcomes and Accountability

DWR is one of the first and few State agencies to employ an Enterprise Resource Planning system (SAP). SAP is a highly sophisticated and fully integrated system that has powerful reporting and tracking capabilities. Data in the system is accessible on each desktop (based on authorization), and program managers can generate real-time budget and expenditure reports to monitor and control their programs. Because the system is integrated, all users share the same data sets; this provides for increased accuracy and accountability in the reporting and analysis of financial transactions.

## Analysis of Problem

### **F. Analysis of All Feasible Alternatives**

Alternative No. 1: Approve this proposal as submitted. The projects will be completed without delays or loss of useful information.

Alternative No. 2: No action. This alternative would cause delays in completing projects already in progress and may cause DWR to enter into litigation with contracting agencies.

### **G. Implementation Plan**

This proposal, if approved, would make available previously appropriated and encumbered funds to complete projects identified in Section B.

### **H. Supplemental Information**

N/A

### **I. Recommendation**

The Department of Water Resources recommends Alternative No. 1, approval of this proposal as submitted.