

NATURAL RESOURCES

The Natural Resources Agency consists of 26 departments, boards, commissions, and conservancies responsible for administering programs to conserve, protect, restore, and enhance the natural, historical, and cultural resources of California. The Budget proposes total funding of \$8.3 billion (\$2.2 billion General Fund) for all programs included in this Agency.

WATER ACTION PLAN

ACTIONS FOR RELIABILITY, RESTORATION, AND RESILIENCE

Water is critical to the state's economy, environment, and basic health and well-being. The state's water system is in crisis. Climate change, drought, and population growth pose significant challenges. California will meet these challenges with a coordinated state effort based on key actions over the next one to five years that address urgent needs and provide the foundation for sustainable management of California's water resources.

All Californians have a stake in the state's water future. To be effective, there must be collaboration between state, federal and local governments, regional agencies, Native American tribes, the private sector, and members of the public. The California Water Action Plan provides a blueprint to guide coordinated actions and put California on a path toward water reliability, restoration, and resilience.

The Budget proposes \$618.7 million in strategic investments to begin implementing the plan (see Figure RES-01). In the first year of implementation, many of the

Figure RES-01
Water Action Plan
 (Dollars in Millions)

<i>Investment Category</i>	<i>Department</i>	<i>Program</i>	<i>Amount</i>
Expand Water Storage Capacity	State Water Resources Control Board	Sustainable Groundwater Management	\$1.9
	State Water Resources Control Board	Groundwater Ambient Monitoring and Assessment	\$3.0
	Department of Water Resources	Groundwater Data Collection and Evaluation	\$2.9
Safe Drinking Water	State Water Resources Control Board	Interim Replacement Drinking Water in Disadvantaged Communities	\$4.0
	State Water Resources Control Board	Wastewater Projects in Small Disadvantaged Communities	\$7.0
Make Conservation a Way of Life	Department of Water Resources	Water and Energy Efficiency	\$20.0
Protect and Restore Important Ecosystems	Department of Fish and Wildlife	Restore Coastal and Mountain Watersheds and Wetlands for Waterfowl	\$30.0
	Department of Fish and Wildlife	Salton Sea	\$0.4
Increase Flood Protection	Department of Water Resources	Flood SAFE	\$77.0
Regional Self Reliance	Department of Water Resources	Integrated Regional Water Management Program	\$472.5
Total			\$618.7

investments will focus and expedite funding in existing programs. Over the coming year, the Administration will work with stakeholders to identify and prioritize new investments necessary to implement the plan.

The Budget reflects the urgent need to manage groundwater better. Groundwater basins are the state’s largest reservoir—ten times the size of all its surface reservoirs combined. In an average year, groundwater provides 30 percent of California’s water supply—much more in dry periods. Eighty percent of Californians rely, at least in part, on groundwater for their drinking water, and some cities and rural areas rely entirely on groundwater. When managed sustainably, groundwater can provide a crucial buffer against drought. The state’s reliance on groundwater will increase with climate change and population growth. In some areas of the state, regional and local agencies manage groundwater well, but, in other areas, groundwater overdraft is causing subsidence, permanent reductions in underground storage capacity, seawater intrusion and other water quality problems, and environmental damage.

The Budget proposes investments toward two objectives. First and foremost, local and regional agencies should be given the authority and tools they need to manage their groundwater resources sustainably. The Budget proposes funding for the State Water Resources Control Board and the Department of Water Resources (DWR) to collect and update groundwater data and information. The Administration will work with local governments and agencies, Native American tribes, and the Legislature to identify and provide additional tools, resources, guidance, and authority local managers need to sustainably manage groundwater. Second, the state should protect groundwater basins that are at risk of permanent damage when a local agency is unable or unwilling to do so. The Budget provides resources to the Water Board to act as a backstop until an adequate local plan is put in place.

KEY ACTIONS

- **Make Conservation a California Way of Life**—Refocus and expedite investments in water conservation by building on existing efforts to conserve water, and promote the innovation of new strategies to increase water conservation.
- **Increase Local and Regional Self-Reliance**—Continue to provide incentives encouraging investments in local and regional water infrastructure and better integration of local and regional efforts that will have multiple benefits and make communities more resilient and self-reliant.
- **Achieve Co-Equal Goals for the Delta**—Continue to work toward achieving the co-equal goals of providing a more reliable water supply for California and protecting, restoring, and enhancing the Delta ecosystem. This can, among other things, be achieved by implementing the Delta Stewardship Council’s Delta Plan.
- **Protect and Restore Important Ecosystems**—Accelerate investments in, and coordination of, important ecosystem restoration projects to recover the diverse, unique, and vibrant watersheds that are the foundation for sustaining water resources.
- **Manage and Prepare for Dry Periods**—Take immediate actions to address the ongoing, severely dry periods and work to effectively manage water resources through all hydrologic conditions.
- **Expand Water Storage Capacity**—Promote greater system flexibility by protecting groundwater and investing in surface storage and/or groundwater storage.

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- Provide Safe Drinking Water—Consolidate water quality programs, provide funding assistance for vulnerable communities, and manage the supply status of community water systems.
- Improve Flood Protection—Invest in flood projects implemented in an integrated, regionally-driven way that also achieves multiple benefits.
- Increase Operational and Regulatory Efficiency—Achieve efficiencies by preparing for 2014 and beyond through better technology and improved procedures, improving and clarifying coordination of state Bay Delta actions, and achieving ecological goals through integrated regulatory and voluntary efforts.
- Identify Sustainable and Integrated Financing Opportunities—Develop a better understanding of the variety and types of funds and financing available for water investment and work to make the most efficient and sustainable uses of the funding available.

Specifically, the Budget proposes \$618.7 million to support the following priorities identified in the Water Action Plan:

EXPAND WATER STORAGE CAPACITY

- Sustainable Groundwater Management—\$1.9 million General Fund and ten positions for the State Water Resources Control Board to act as a backstop when local or regional agencies are unable or unwilling to sustainably manage groundwater basins. The Water Board will protect groundwater basins at risk of permanent damage until local or regional agencies are able to do so.
- Groundwater Ambient Monitoring and Assessment—\$3 million Waste Discharge Permit Fund to support the Priority Basin Project component of the Groundwater Ambient Monitoring and Assessment Program. The Priority Basin Project, under contract with the United States Geological Survey and Lawrence Livermore National Laboratory, provides a comprehensive assessment of groundwater quality in aquifers used for public drinking-water supply statewide.
- Groundwater Data Collection and Evaluation—\$2.9 million General Fund and 12 positions for the DWR to continue the groundwater monitoring program and develop an online well completion report submission system. The data and analyses will provide state, regional, and local water managers more efficient and timely access to hydrogeologic and well construction data that will improve groundwater management plans, identify and understand changes in groundwater

supplies, and more effectively integrate groundwater use with surface water use. The expanded groundwater information will support state and local efforts to evaluate anticipated impacts of climate change, drought conditions, and water supply reliability.

SAFE DRINKING WATER

- Interim Replacement Drinking Water in Disadvantaged Communities—\$4 million Cleanup and Abatement Account for the Water Board to provide safe drinking water to severely disadvantaged communities with contaminated drinking water supplies. Disadvantaged communities often struggle to provide an adequate supply of safe, affordable drinking water. The Water Board will engage with stakeholders and develop recommendations to establish a stable, long-term funding source for the operations and maintenance costs of providing safe drinking water for disadvantaged communities, and alternative governance structures for providing safe drinking water. This proposal will provide replacement drinking water to disadvantaged communities on an interim basis as a long-term strategy is being developed.
- Wastewater Projects in Small Disadvantaged Communities—\$7 million State Water Pollution Control Revolving Fund for grants to small and severely disadvantaged communities to comply with water quality regulations, protect surface and groundwater quality, and reduce threats to public health and safety.

MAKE CONSERVATION A WAY OF LIFE

- Water-Energy Efficiency—\$20 million Cap and Trade funds to DWR for water and infrastructure efficiency projects that also result in energy savings. (For additional information, see the Cap and Trade Expenditure Plan in the Environmental Protection Chapter.)

PROTECT AND RESTORE IMPORTANT ECOSYSTEMS

- Wetlands and Coastal Watersheds—\$30 million Cap and Trade funds for the Department of Fish and Wildlife to implement projects that provide carbon sequestration benefits, including restoration of wetlands (including those in the Delta), coastal watersheds, and mountain meadows. (For additional information, see the Cap and Trade Expenditure Plan in the Environmental Protection Chapter.)
- Salton Sea Restoration Program—\$400,000 Salton Sea Restoration Fund for the Department of Fish and Wildlife to operate and maintain species conservation habitat ponds at the Salton Sea. This proposal continues a pilot project to create habitat

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through the construction of 800 acres of ponds, which will protect fish and wildlife, mitigate air quality impacts, and improve water quality.

INCREASE FLOOD PROTECTION

- Flood SAFE—\$77 million of Proposition 84 and 1E funds to DWR for the Flood SAFE Program, a long-term strategic initiative developed to reduce flood risk in California. The funds will be used to improve flood emergency response throughout California, including response and recovery time from a catastrophic levee failure event in the Delta, and support statewide flood management planning. The Budget also proposes to continue various existing flood control projects and feasibility studies, including the Folsom Dam Modifications Project.

REGIONAL SELF RELIANCE

- Integrated Regional Water Management—\$472.5 million Proposition 84 funds to DWR for grants to support local projects that increase regional self-reliance and result in integrated, multi-benefit solutions for supporting sustainable water resources. While California has a vast state and federally managed infrastructure to store and deliver water miles from its origin, the majority of infrastructure, management, and investment reside at the local and regional levels. Over the past decade, the state has assisted local agencies in developing regional plans that integrate local agency water management infrastructure and operations to create new efficiencies and serve multiple purposes. The Integrated Regional Water Management program will provide incentives for both regional integration and to leverage local financial investment for water conservation efforts, habitat protection for local species, water recycling, stormwater capture, and desalination projects. No less than 10 percent of the funds will be used to address critical water needs of disadvantaged communities.

DEPARTMENT OF FISH AND WILDLIFE

The Department of Fish and Wildlife manages California's diverse fish, wildlife, and plant resources, and the habitats upon which they depend, for their ecological value and for their use and enjoyment by the public. This includes the management of recreational, commercial, scientific, and educational programs. The Budget includes \$404 million (\$63 million General Fund) and 2,616 positions for the Department.

Significant Adjustments:

- Oil Spill Response Program—\$6.7 million Oil Spill Prevention and Administration Fund and 38 positions to enhance the Department’s inland oil spill prevention, preparedness, and response capabilities. Rail shipments of oil, including North Dakota Bakken oil, are expected to significantly increase from 3 million barrels to approximately 150 million barrels per year by 2016. This type of oil is extremely flammable and its transport increases the risk of serious accidents, similar to the rail incident in Lac-Megantic, Quebec in July 2013. This proposal will expand the existing oil spill program to address the increased risk of inland oil spills by supporting prevention, emergency response preparedness, cleanup, and enforcement measures. The proposal also includes increased funding for the Oil Wildlife Care Network, which protects wildlife affected by marine oil spills. This additional funding will be supported by expanding the existing 6.5 cent per barrel fee, which is currently collected at marine ports, to all crude oil sent to refineries. This proposal is part of the Administration’s ongoing efforts to improve the safety of the extraction, transportation, processing, and use of fossil fuels in California.
- Marijuana Related Enforcement—\$1.5 million from various special funds and seven positions to investigate and enforce violations of illegal streambed alterations and the Endangered Species Act associated with marijuana production. Currently, marijuana cultivation is threatening water supply, water quality, and the sensitive habitat of endangered species. This proposal will be a coordinated effort with the Water Board.

DEPARTMENT OF PARKS AND RECREATION

The Department operates the state park system to preserve and protect the state’s most valued natural, cultural, and historical resources. The park system includes 280 parks, beaches, trails, wildlife areas, open spaces, off-highway vehicle areas, and historic sites. It consists of approximately 1.59 million acres, including over 339 miles of coastline, 974 miles of lake, reservoir and river frontage, approximately 15,000 campsites and alternative camping facilities, and 4,456 miles of non-motorized trails. The Budget includes \$655 million (\$116 million General Fund) and 3,949 positions for the Department.

Significant Adjustments:

- Maintain Services at State Parks—A one-time increase of \$14 million State Parks and Recreation Fund to continue existing service levels throughout the state park system. The 2011 Budget Act included a permanent \$22 million General Fund

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reduction to state parks. Initially, this budget reduction was anticipated to result in the closure of 70 state parks. However, excess funds were identified in the State Parks and Recreation Fund, and legislation was enacted to utilize these funds to keep parks open. The one-time funds provided in the legislation will expire at the end of 2013-14, and this proposal will provide one-time funding to avoid park closures in 2014-15. The Parks Forward Commission is currently completing a comprehensive assessment of the state park system, and will be releasing recommendations in 2014 intended to ensure the system's long-term viability. This one-time funding will maintain existing service levels at state parks while providing adequate time to fully evaluate the recommendations of the Parks Forward Commission.

- **Deferred Maintenance**—The Budget provides \$100 million to various state agencies to address critical infrastructure deferred maintenance needs. Of this amount, \$40 million will be allocated to State Parks.