

Natural Resources

The Resources Agency, through its various departments, boards, commissions, and conservancies, is responsible for administering programs that conserve, preserve, restore, and enhance the rich and diverse natural resources of California. The 2000-01 Governor's Budget proposes \$2.8 billion and 15,561 personnel years for state operations and local assistance activities, and \$731.8 million for capital outlay.

Figure NR-1

Secretary for Resources

The Secretary for Resources is responsible for administering programs and policies governing the acquisition, development, and use of the state's resources. The Secretary also administers the Sea Grant Program, the Open Space Subvention Program, the California Environmental Quality Act, the Environmental Enhancement and Mitigation Demonstrations Program, the Coastal Resources and Energy Assistance Program, and the CALFED Bay-Delta Ecosystem Restoration Program.

CALFED Bay-Delta Ecosystem Restoration—Proposition 204, the Safe, Clean, Reliable Water Supply Bond Act, was approved by the state's voters in 1996. The Act includes \$390 million to administer the CALFED Bay-Delta Ecosystem Restoration Program. Eligible projects are designed to improve and increase aquatic and terrestrial habitats and improve ecological functions in the Bay-Delta environment as part of the long-term solution to address water supply reliability, water quality, and environmental issues in the Bay-Delta. The Budget includes \$51.5 million to begin implementation of the program.

Resource Management—Resource management issues are becoming increasingly complex and cross traditional departmental lines of program responsibility. Examples include the CALFED program and the North Coast Forest Practices Act enforcement program. These multidepartmental efforts require additional oversight, coordination, and attention to ensure that program and policy resource management objectives are attained effectively and efficiently. Therefore, the Budget proposes \$362,000 to provide additional resources to the Secretary to coordinate the Administration's natural resource management and environmental protection crosscutting issues.

Department of Forestry and Fire Protection

The Department of Forestry and Fire Protection (CDF) provides fire prevention and suppression for approximately 36 million acres of publicly and privately owned wildlands, responds to emergencies, and protects and enhances forests, range lands, and watersheds that in turn

provide social, economic, and environmental benefits. The Budget proposes a total of \$533.8 million and 5,109 personnel years for CDF's state operations and local assistance. Significant augmentations include the following:

Command and Control—The Command and Control System refers to the processes and systems used to allocate and track resources needed in emergency situations as well as to collect and analyze data about those emergencies. The Budget includes \$2.2 million to begin a multi-year upgrade and improvement of the system:

- \$875,000 to implement a Multi-agency Incident Resource Processing System (MIRPS). MIRPS is a resource tracking software used for ordering and tracking resources at a major incident. MIRPS is activated when CDF exhausts its own resources and turns to other agencies for assistance.
- \$403,000 to consolidate the Emergency Activity Reporting System and the California Fire Incident Reporting System into an integrated data collection system, and update both systems to the National Incident Reporting System. Data will be collected on fire emergencies, medical aid incidents, and hazardous materials incidents.
- \$466,000 to upgrade and maintain the Incident Network (InciNet). InciNet software is used to manage emergency incident operations on location. InciNet processes resource and equipment orders, supply inventories, time keeping, work assignments and releases, and incident status.
- \$457,000 to replace aging components in 83 Remote Automated Weather Stations (RAWS) and to purchase 8 new stations to complete CDF's fire weather collection network. RAWS monitor the weather to assist with fire danger ratings by collecting data on wind speed, wind direction, precipitation, barometric pressure, air temperature, fuel moisture, solar radiation, and relative humidity.

State Forest Land Stewardship and Education—The Budget proposes to reinvest in the State Demonstration Forests System \$2.4 million of revenues generated from those forests. This funding will address needed investments in road maintenance, timber stand improvement, and vegetation management. These investments will help ensure that the Demonstration Forests continue their function of increasing our knowledge of how best to manage forests for sustainable ongoing benefits.

North Coast Watershed Assessment—The Budget proposes \$1.3 million to evaluate timber management and land use impacts on watershed and fish habitat (see Protecting the Environment).

Emergency Fund Augmentation—The Budget proposes a \$35.0 million General Fund augmentation for the Emergency Fund for a total of \$55.0 million for emergency fire suppression activities. This represents the average annual amount expended for the last ten years. In the current year, for example, an exceptionally severe fire season necessitated an increase to the Emergency fund of \$70 million General Fund.

Capital Outlay—The CDF capital outlay program for 2000-01 totals \$62.4 million for infrastructure improvements necessary to maintain fire protection efforts. These proposals are outlined in the Capital Outlay section.

Department of Conservation

The Department of Conservation protects public health and safety, ensures environmental quality, and supports the state's long-term viability in the use of California's earth resources. The Department provides policy direction, education, regulation, and dissemination of information concerning agricultural and open space lands and soils; beverage container recycling; geology and seismology; and mineral, geothermal, and petroleum resources. The Budget proposes a total of \$506.7 million and 716 personnel years.

Recycling—The primary goals of the California Beverage Container Recycling Program are to achieve a recycling rate of 80 percent for each beverage container type and to reduce the beverage container component of litter that reaches limited landfill space. Recent legislation (Chapters 815 and 817, Statutes of 1999) substantially increases the number and type of beverage containers included in the program and makes more recycling options available to the public.

Beginning January 1, 2000, most beverages packaged in glass, aluminum, plastic, or bimetal are included in the program. In addition to soft drink, beer, carbonated water, and wine and distilled spirit coolers that were already included in the recycling program, the new beverages include noncarbonated water and noncarbonated soft drink (including "sport drinks"), coffee and tea, and most fruit drinks. Some beverages are specifically excluded from the program, such as wine, distilled spirits, milk, medical food, and infant formula.

The Budget reflects \$3.2 million for current year implementation of Chapters 815 and 817. The Budget also proposes \$5.6 million to continue the program in 2000-01.

North Coast Watershed Assessment—The Budget proposes \$2.7 million and 20 personnel years to map and analyze landslide, in-stream sediment, and soil erosion data as part of the North Coast Watershed Assessment program. Additionally, the Budget proposes \$2.2 million for a competitive grant program for resource conservation districts to address local priority watershed needs. This proposal complements the North Coast watershed assessment efforts (see Protecting the Environment).

California Farmland Conservancy Program—The California Farmland Conservancy Program provides grants to local and nonprofit agencies for the purchase of conservation easements on agricultural land that might otherwise be threatened by development. The Budget includes \$2.0 million for this Program. The Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000 on the March 2000 ballot includes \$25.0 million in general obligation bond authority for additional grants. The Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act, also on the March 2000 ballot, includes \$70.0 million for grants to achieve flood control protection, agricultural land preservation, and wildlife habitat protection.

State Coastal Conservancy

The State Coastal Conservancy was established in 1976 to preserve, protect, and restore significant coastal resources and to provide public access along California's 1,100-mile shoreline. These goals are accomplished in partnership with other state and federal agencies, local governments, and nonprofit conservation organizations. The Budget proposes a total of \$5.3 million and 57 personnel years for state operations and \$41.2 million for capital outlay. Significant budget adjustments include the following:

Hamilton Airfield Wetlands Restoration Project—The Hamilton Airfield Wetlands Restoration Project will achieve three major state goals: (1) restoring approximately 1,000 acres of San Francisco Bay tidal wetlands, with the possibility of expanding the project to 2,500 acres, (2) providing for beneficial reuse of approximately 10 million cubic yards of material dredged from

Bay navigation projects, and (3) facilitating increased productivity of the Bay ports with substantially reduced environmental impact. The Budget proposes \$13.5 million from the General Fund to match approximately \$41 million in federal funds available for this project.

Public Access—The Coastal Conservancy designs and constructs public shoreline access facilities, and assists local agencies in improving and managing these sites. The Budget proposes \$3.8 million to encourage local agencies to accept existing offers to dedicate public accessways to the shoreline, and to develop new access trails and support facilities to meet the demands of growing population and visitor use.

Southern California Wetlands Recovery Program—The Budget proposes \$5.0 million to continue this successful collaboration between 16 state and federal agencies to protect and restore 41 coastal wetlands and their tributary watersheds in the five-county Southern California region. The Wetlands Recovery Program has prioritized wetland conservation efforts and pooled funds among multiple concerned agencies to increase the effectiveness of state appropriations.

Elkhorn Slough Wetlands Acquisition and Restoration Project—The Budget proposes \$4 million to acquire and restore approximately 1,000 acres in the Elkhorn Slough area located in Monterey County.

Carmel River Lagoon Wetlands Project—The Budget proposes \$4 million for the restoration of 300 acres at the Carmel River Lagoon.

Department of Fish and Game

The mission of the Department of Fish and Game is to manage California's diverse fish, wildlife, and plant resources, and the habitats upon which they depend, for their ecological values and for their use and enjoyment by the public. The Department manages 850,000 acres of wildlife habitat, including 106 wildlife areas and 109 ecological reserves. The Department operates 19 hatcheries and 2 fish planting facilities. The Budget proposes a total of \$228.3 million and 2,376 personnel years for state operations and local assistance. Significant adjustments include the following:

Special Water Projects and CALFED Support—The Budget proposes \$18.2 million to continue and expand restoration planning, implementation, and monitoring for Central Valley fish and wildlife in coordination with the CALFED.

North Coast Watershed Assessment—The Budget proposes \$2 million to participate in a multi-year, multi-agency initiative, led by the Resources Agency, that will analyze and prioritize watersheds for salmon and steelhead habitat restoration efforts as part of the North Coast Watershed Assessment program (see Protecting the Environment).

The Budget also proposes \$2.1 million to administer a federal grants program to restore severely depleted runs of coastal salmon and steelhead, and to assist with local and regional watershed efforts including funding for local watershed planning/coordination projects to provide oversight of on-the-ground restoration efforts. The recently enacted 1999 federal budget includes \$9 million for California for this effort.

Ballast Water Management Program—Chapter 849, Statutes of 1999 (AB 703), was recently enacted in response to the introduction of nonindigenous species into state waters from unregulated ballast water discharges. This new Program requires the monitoring of ballast water discharges from ships entering state waters to help ensure that nonindigenous aquatic species are not introduced into state waters through ballast water discharges. All activities will be covered

by fees assessed and collected from qualifying vessels using California ports. The Budget proposes \$909,000 to prepare a report on the baseline conditions of coastal and estuarine waters of the state, including an inventory of the location and geographic range of existing nonindigenous species populations.

Lake Davis Northern Pike Control and Eradication—The control and eradication of northern pike in Lake Davis continues as a priority for the Administration. Northern pike are a voracious, fast-growing predatory nonnative fish introduced illegally into Lake Davis. The pike pose a significant threat to native species downstream from Lake Davis including anadromous salmon and trout populations. Despite previous eradication efforts, northern pike continue to populate the lake. With the support and assistance of the Plumas County Board of Supervisors, the Plumas County Fish and Game Advisory Commission, the City of Portola, and the Lake Davis Coalition, the Department is continuing control measures and developing a comprehensive Northern Pike Management Program.

Capital Outlay—The Department of Fish and Game capital outlay program for 2000-01 totals \$1.7 million, of which \$375,000 is for the planning phases of a fish barrier and a seismic retrofit of an historic fish hatchery building. These proposals are outlined in the Capital Outlay section.

Wildlife Conservation Board

The Wildlife Conservation Board, working in conjunction with the program directives of the Department of Fish and Game, acquires, preserves, protects, develops, enhances, and restores wetlands, riparian habitat, wildlife habitat, and lands supporting California's unique, threatened, or endangered plants, animals, and natural communities. The Board also supports projects that provide wildlife-oriented public access to the state's fish and wildlife natural resources. The Budget proposes a total of \$73 million and 19 personnel years for the Board's state operations and capital outlay. The Budget includes the following significant augmentation:

Wetlands Habitat—Wetlands are vital to the survival of many fish and other aquatic life forms, birds, and plants. The 2000-01 Budget, therefore, includes \$25.0 million for wetlands acquisitions (see Protecting the Environment).

Department of Parks and Recreation

The mission of the Department of Parks and Recreation is to preserve the state's extraordinary biological diversity, protect the state's most valuable natural and cultural resources, and create opportunities for high-quality outdoor recreation. The State Park System consists of 264 park units including parks, beaches, trails, wildlife areas, open spaces, off-highway vehicle areas, and historic sites. The Budget proposes a total of \$231.1 million and 2,818 personnel years for state operations and local assistance. Significant augmentations include the following:

Ongoing Maintenance Program—Building on the successes of the significant funding the Department received in 1999-00 to repair and rehabilitate facilities, and to ensure funding is available to maintain those facilities once they are repaired, the Budget proposes an additional \$3 million for ongoing maintenance. This provides a 33 percent increase over the current budgeted level for ongoing maintenance.

Ranger and Lifeguard Recruitment and Training Program—A significant shortfall in the number of rangers and lifeguards is anticipated over the next five to seven years based on estimated rates of attrition. The Budget includes \$1.7 million to recruit and train new rangers and

lifeguards to ensure that facilities are appropriately staffed for the enjoyment and safety of those visiting the state parks.

Local Assistance—This Budget includes \$22.3 million for grants to enhance local recreational opportunities, historic preservation projects and habitat protection efforts through the following grant programs: Off-Highway Vehicle Program, \$13.5 million; Habitat Conservation Fund Program, \$2.4 million; Recreational Trails Program, \$4.0 million; and Federal Grant Programs, \$2.4 million.

Capital Outlay—This Budget proposes a \$19.7 million capital outlay program for various public safety, critical infrastructure, capital improvements, and enhancement projects, which are outlined in the Capital Outlay section.

Department of Water Resources

The Department of Water Resources (DWR) protects, conserves, and develops the state's water. Established in 1958, the Department delineates the state's water issues, forecasts future water needs, evaluates and inventories existing water resources, and explores resource potential to meet the needs of the state's growing population. The Budget includes a total of \$517.1 million for state operations and local assistance activities and 2,864 personnel years. Major budget adjustments include the following:

CALFED—CALFED is a joint federal and State effort to study and recommend policy directions and goals to address California's long-term water needs, including the formulation of long-term solutions to the environmental and water quality issues in the Bay-Delta estuary. The Budget contains several proposals that assist CALFED in meeting its objectives (also see Protecting the Environment):

- \$12.3 million and 60 personnel years to continue support for the CALFED effort.
- \$20.0 million and 74 personnel years to continue the third year of a seven-year effort for integrated storage investigations (ISI), a multi-year program to identify the appropriate role of storage in a comprehensive water management strategy and formulate feasible storage programs.
- \$20.0 million for Bay-Delta ecosystem restoration projects.
- \$969,000 for salmon habitat and river restoration projects on the San Joaquin River tributaries.
- \$752,000 to begin the agricultural water conservation component of the Water Use Efficiency Program. DWR will provide technical assistance to the Agricultural Water Management Council's member agencies in developing, reviewing, and endorsing agricultural water management plans.

Purchase of Water Options—The Budget proposes \$10 million from the General Fund to match federal funds to acquire water options and stabilize water supplies south of the Delta. Funds will be allocated to public water agencies located in the Delta export service areas for the purpose of implementing water management and water transfer programs to mitigate water shortages and maintain water quality.

Safety of Dams—The Budget includes \$806,000 for increased workload demands to inspect dams to ensure proper construction, safe operation, and maintenance.

North Coast Watershed Assessment—The Budget proposes \$382,000 to analyze stream flow and hydrologic data in five river basins.

Capital Outlay—DWR capital outlay program for 2000-01 totals \$513.7 million (\$6.5 million General Fund, \$504.1 million State Water Project Funds, and \$3.0 million various special funds). The Budget also proposes a total of \$8.6 million (\$6.5 million General Fund and \$2.1 million reimbursements) for a variety of flood control-related projects and studies that are outlined in the Capital Outlay section.

State Lands Commission

The State Lands Commission was created in 1938 to manage all sovereign and school lands. Today these lands encompass more than 120 navigable rivers and sloughs, 40 naturally formed lakes, the entire coastline, and over 575,000 acres of school land. Resources include minerals such as oil, natural gas, hard rock minerals, sand gravel, and geothermal streams. Natural resources include forests, grazing land, wetlands, riparian vegetation, and fish and wildlife habitat. Consistent with a comprehensive land and resources management plan, the Commission leases state lands for oil production, timber harvesting, mining, and energy production to generate revenues for the State. The Commission also is required to inspect and monitor all marine facilities and terminals such as oil drilling platforms, storage tanks, refining equipment, and pipelines where a discharge could harm marine waters.

The Budget proposes \$21.6 million and 242 personnel years for state operations including the following major augmentations:

Production Facilities Audit Program—The Budget proposes \$651,000 to conduct comprehensive safety, equipment, and organizational audits of seven offshore oil production facilities.

Land Management—The Budget includes \$909,000 to conduct physical inspections of leased property for lease compliance and to ascertain if the existing facilities on those leases are structurally sound and fit for their intended use. This proposal would also allow the Commission to preserve deteriorating historical land ownership records and perform other document preservation and records management activities.

Ballast Water Management Program—Chapter 849, Statutes of 1999 (AB 703), was recently enacted in response to the introduction of nonindigenous species into state waters from unregulated ballast water discharges from ships. Consistent with the related augmentations in the Department of Fish and Game's budget, \$615,000 is included for implementation of this program in the current year, and \$901,000 is proposed to continue the effort in 2000-01.

California Coastal Commission

Established by a voter-approved initiative in 1972, the California Coastal Commission was made permanent by the Coastal Act of 1976. The Commission administers the Coastal Act, which deals with public access to the coast, coastal recreation, marine environment, coastal land resources, and coastal development. The Budget includes a total of \$16.1 million and 147 personnel years.

Restoration of Operating Reductions—In the 1980s the Commission sustained significant budget reductions. To complete funding restoration efforts begun in 1999-00, the Budget proposes \$1.3 million to meet the operating needs of the Commission, including elimination of backlogs in permit processing.

Protecting the Coast—The Budget proposes \$899,000 to increase the enforcement and compliance efforts of the Coastal Act. To ensure appropriate public access to the coastline, funding is also proposed to allow the Commission to research and investigate historic use (prescriptive rights) in the coastal zone as part of its review of coastal use permit applications.

Adopt-A-Beach/Environmental Education—The Adopt-A-Beach, Coastweek, and Coastal Clean-up Day are grant programs designed to increase public awareness about the coast and coastal resources. The Budget includes \$464,000 to expand public awareness activities.

Energy Resources Conservation and Development Commission

The California Energy Commission's mission is to ensure a reliable supply of energy to meet California's needs, while complying with environmental, safety, and land use goals. The Commission processes applications for siting new power facilities, encourages measures to reduce wasteful and inefficient use of energy, and monitors alternative ways to conserve, generate, and supply energy. The Budget proposes \$237.2 million and 483.7 personnel years for state operations and local assistance including the following noteworthy augmentations:

Alternative Fuels—The Energy Commission administers the Petroleum Violation Escrow Account (PVEA), which receives revenues from negotiated settlements and judgments against U.S. oil companies for overcharging the public during the period of price regulations between August 1973 and January 1981. Because of a misallocation of interest earnings, the General Fund owes PVEA \$28.6 million. This Budget provides for payment to correct those errors. Together with existing PVEA funds, the repayment supports a proposed \$31.9 million initiative to significantly increase the State's use of alternative fuels for powering motor vehicles.

Alternative fuels include compressed natural gas, liquefied petroleum gas, hydrogen, and electricity. The advantage of these clean-burning fuels is that they produce far less pollution than conventional and diesel gasoline. Therefore, they will play an increasingly important role in helping to reduce both air pollutant levels and California's dependency on declining petroleum reserves.

In order to nurture alternative fuels programs in their infancy, the Budget includes \$6.0 million for the Energy Commission to establish a clean fuels infrastructure for public agencies including cities, counties, school districts, and transit districts. Having an infrastructure of fueling stations that dispense alternative fuels will be critical to encourage public agencies to purchase cleaner fuel vehicles.

The Budget includes \$5.0 million for the Energy Commission to establish a Vehicle Efficiency Incentive program to provide incentives for people to purchase or lease hybrid electric and fuel cell vehicles. Major manufacturers are in the embryonic stage of producing hybrid vehicles. Costs of production at this stage are high and translate into relatively high vehicle costs. Therefore, a purchase subsidy will help to establish initial demand and allow production to evolve to a point where lower prices can be sustained in a competitive market through economies of scale.

Fuel cells, which generate electricity through a reaction that occurs when hydrogen and oxygen are combined, are another important source of clean energy. The hydrogen may be produced in a factory or in the vehicle using a hydrogen containing substance such as natural gas. Consequently, an infrastructure of hydrogen fueling stations also will be critical to provide the foundation to service the vehicles.

Accordingly, the Budget contains \$500,000 for the Energy Commission to study issues affecting hydrogen-fueling infrastructure. In addition, the Air Resources Board will use \$5.0 million to participate in a fuel cell demonstration program involving the purchase of fuel cell buses for local

transit agencies. The Budget also includes \$14.5 million for the Department of General Services to purchase alternative fuels vehicles for the state fleet and build alternative fueling stations at state garages in Sacramento, Oakland, and Los Angeles. As the viability of alternative-fuel vehicles is demonstrated by the State, it is expected that this will serve as an impetus for private vehicle owners to consider these vehicles instead of higher-polluting, conventionally fueled vehicles.

Public Interest Energy Research—The Public Interest Energy Research (PIER) program was established in 1996, when energy was deregulated, to ensure that the benefits of public interest energy research, development, and demonstration conducted during the regulated era would continue in the new competitive environment. The Energy Commission is responsible for providing \$61.8 million annually through December 31, 2001, for energy research. The Budget contains an augmentation of \$1.1 million Public Interest Research, Development and Demonstration Programs Fund to manage new project contracts, review project proposals, revise program plans, and help with the marketing and commercialization of successful technologies to ensure application and utilization by industry.

Energy Facility Siting and Compliance Monitoring—The Energy Commission reviews power plant siting proposals to ensure that applicants provide an efficient and reliable source of energy while operating in compliance with health, safety, and environmental regulations. Also the Commission continues to monitor the plants for compliance after construction. With the deregulated energy market, the Commission projects a substantial increase in new energy plant siting proposals. The Budget includes an augmentation of \$400,000 to address this increased workload.