

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 includes total funding of \$8.8 billion (\$3 billion General Fund) for all programs included in this Agency.

EMERGENCY DROUGHT RESPONSE

The State of California has experienced four consecutive years of below-average rain and snow, and is currently facing severe drought conditions statewide. Water supplies at the state's largest reservoirs, as well as groundwater aquifers, are significantly depleted. As a result, drinking water supplies are at risk in some communities, agricultural areas face increased unemployment, dry conditions create higher risks for wildfires, and important environmental habitats have already been degraded.

The state's emergency drought response is strategically guided by accelerating several of the key actions in the California Water Action Plan that will provide long-term benefits for the state. In November 2014, the voters approved Proposition 1, which provides \$7.5 billion in bonds for water storage, water quality, flood protection, and watershed protection and restoration projects.

\$3.7 BILLION FOR DROUGHT RELIEF AND WATER INFRASTRUCTURE

Since the Governor first declared a state of emergency in January 2014, the Administration has worked with the Legislature to appropriate approximately \$1.9 billion to assist drought-impacted communities and provide additional resources for critical water infrastructure projects and respond to drought-related wildlife emergencies.

The Budget includes an additional \$1.8 billion of one-time resources for 2015-16 to continue immediate response to drought impacts. Combined with the \$1.9 billion already appropriated, the state has committed approximately \$3.7 billion over the past two years to address statewide drought conditions and improve our resiliency to droughts in the long-term. Figure RES-01 summarizes this funding.

PROTECTING AND EXPANDING LOCAL WATER SUPPLIES

In an effort to accelerate the implementation of local water infrastructure projects statewide, the Budget includes \$1.5 billion Proposition 1 funds for the following programs:

- \$1.4 billion, available over the next three years, for the following State Water Resources Control Board (Water Board) programs:
 - Groundwater Contamination—\$783.4 million for projects that prevent or clean up the contamination of groundwater that serves as a source of drinking water.
 - Water Recycling—\$210.7 million for water recycling, desalination, and advanced treatment projects to enhance local water supply resiliency.
 - Safe Drinking Water—\$175.3 million for projects, with priority given to small systems in disadvantaged communities, which help provide clean, safe, and reliable drinking water.
 - Wastewater Treatment Projects—\$158.4 million for small communities to build or upgrade their wastewater systems to meet current standards.
 - Stormwater Management—\$101 million for multi-benefit stormwater management projects that also contribute to local water supplies.
- \$110 million for the following Department of Water Resources (DWR) programs:
 - Groundwater Sustainability—\$60 million to support local groundwater planning efforts. Of this amount, \$50 million is available over the next three years for technical and direct assistance and grants to local agencies for groundwater sustainability governance and planning. An additional \$10 million

Figure RES-01
Emergency Drought Response
(Dollars in Millions)

<i>Investment Category</i>	<i>Department</i>	<i>Program</i>	<i>2015 Budget Act</i>	<i>Fund Source</i>
Protecting and Expanding Local Water Supplies	Water Board	Groundwater Contamination	\$783.4	Proposition 1
	Water Board	Water Recycling	\$210.7	Proposition 1
	Water Board	Safe Drinking Water in Disadvantaged Communities	\$175.3	Proposition 1
	Water Board	Wastewater Treatment Projects	\$158.4	Proposition 1
	Water Board	Stormwater Management	\$101.0	Proposition 1
	Department of Water Resources	Groundwater Sustainability	\$60.0	Proposition 1
	Department of Water Resources	Desalination Projects	\$50.0	Proposition 1
Water Conservation	Department of Water Resources	Urban Water Conservation	\$54.0	Proposition 1/ General Fund
	Department of Water Resources	Agricultural Water Conservation	\$35.0	Proposition 1
	Department of Water Resources	Make Water Conservation a Way of Life	\$13.0	Proposition 1
	Department of General Services	Water Conservation at State Facilities	\$15.4	General Fund/ Special Funds
Emergency Response	Department of Forestry and Fire Protection	Enhanced Fire Protection	\$66.8	General Fund/ Special Funds
	Office of Emergency Services	California Disaster Assistance Act	\$22.2	General Fund
	Department of Water Resources	Removal of Emergency Salinity Barriers in the Delta	\$11.0	General Fund
	Department of Community Services and Development	Farmworker Assistance	\$7.5	General Fund
	Department of Housing and Community Development	Rental Relocation Assistance	\$6.0	General Fund
	Water Board	Executive Order Implementation	\$1.4	General Fund
Total			\$1,771	

in immediate funding will be dedicated to counties with stressed groundwater basins to update or develop local ordinances and plans that protect basins and their beneficial users and help facilitate basin-wide sustainable groundwater management under the Sustainable Groundwater Management Act, in coordination with other local water managers.

- Desalination Projects—\$50 million, available over the next two years, to help local agencies develop new local water supplies through the construction of brackish water and ocean water desalination projects.

WATER CONSERVATION

The Budget includes \$117 million to fund programs and projects that save water, including:

- \$54 million for the following urban water conservation programs:
 - \$13 million Proposition 1 funds for the DWR to implement consumer rebate programs for the replacement of inefficient water consuming appliances, such as toilets, consistent with the Governor’s April 1, 2015 Executive Order that identifies actions to save water.
 - \$27 million Proposition 1 funds to replace lawns, with priority for underserved communities, throughout the state with water efficient landscaping, consistent with the April 1 Executive Order.
 - \$10 million Proposition 1 funds to implement the CalConserve program, which will enable homeowners and businesses to finance water-efficiency upgrades through a revolving-loan program.
 - \$4 million General Fund to continue Save Our Water, the statewide public education campaign focused on helping all Californians reduce their water use.
- \$35 million Proposition 1 funds for the DWR agricultural water efficiency programs. These additional resources will enable the DWR to provide incentives to agricultural operations to invest in water irrigation technologies that reduce water use.
- \$13 million Proposition 1 funds for the DWR to provide technical assistance, data collection, and applied research that supports long-term water use efficiency in urban and agricultural sectors that will integrate water conservation into residents’ lifestyles, consistent with the Water Action Plan.

- \$15.4 million, including \$10 million General Fund, to the Department of General Services for water conservation projects at state facilities. As urban and agricultural water users across the state are reducing their water use, it is critical that state facilities also continue to reduce water use. This proposal will provide additional funds to implement indoor and outdoor water conservation measures at state facilities.

EMERGENCY RESPONSE

The Budget includes \$114.9 million (\$107.5 million General Fund) to assist drought-impacted communities and prevent catastrophic wildfires, including:

- \$66.8 million (\$59.4 million General Fund) for the Department of Forestry and Fire Protection (CALFIRE) to continue firefighter surge capacity, retain seasonal firefighters beyond the budgeted fire season, provide additional defensible space inspectors, provide grants for fire prevention, and enhance air attack capabilities to suppress wildfires during the 2015 fire season.
- \$22.2 million General Fund for the Office of Emergency Services to support local jurisdictions using the California Disaster Assistance Act program for approved drought-related projects, including emergency protective measures such as delivering water to individuals without drinking water.
- \$11 million General Fund toward the removal of emergency salinity barriers in the Delta to prevent harm to migratory fish.
- \$7.5 million General Fund for the Department of Community Services Development to provide emergency assistance to unemployed farmworkers, including job training and assistance.
- \$6 million General Fund for the Department of Housing and Community Development to assist or relocate households without potable water sources due to drought.
- \$1.4 million General Fund for the Water Board to increase enforcement of water use restrictions and conduct additional inspections of diversion facilities to verify compliance with water rights laws.

STREAMLINING WATER PROJECTS AND IMPROVING ENFORCEMENT

The Budget includes the enactment of legislation that will improve the state's response to the statewide drought, and make California more resilient to future drought conditions.

- **Additional Local Enforcement Authority**—Provides a minimum set of enforcement tools to all local water agencies, including wholesalers, retailers, and non-urban water agencies. The tools would allow local water agencies to enforce their own water conservation ordinances, as well as emergency conservation regulations adopted by the Water Board.
- **Monitoring and Reporting**—Provides a baseline of annual diversion reporting to the Water Board for all classes of water rights and specifies minimum measuring accuracy for diversions in excess of 10 acre feet per year. Most surface water diversions in California are required to be reported to the Water Board on either an annual or three-year cycle, depending on the type of water right. Currently, there are no uniform standards for measuring the diversions, and the lack of timely and accurate water diversion data has frustrated the state's ability to respond to the drought and enforce the water rights seniority system.
- **Water System Consolidation**—Authorizes the Water Board to require consolidation of local water systems in disadvantaged communities when a system consistently fails to provide an adequate supply of safe drinking water to its customers. Currently, some water systems lack capacity to adequately serve their customers and others have run out of water completely. This legislation will authorize the Water Board to order adjacent water systems to consolidate with failing systems, only when technically and economically feasible.
- **Streamlining Water Recycling Projects**—Provides a California Environmental Quality Act (CEQA) exemption for certain types of water recycling pipeline projects under a declared drought, up to 18 months, and for the next update of the Building Standards Commission's building codes related to water recycling requirements.

UNDERGROUND INJECTION CONTROL PROGRAM

The federal Safe Drinking Water Act only allows for injection of fluids from oil and gas operations into exempt aquifers that meet specific requirements and conditions. Within the state, there are approximately 2,500 oil and gas injection wells that have been operating in aquifers that may not have been properly exempted from the Act. The state is reviewing and evaluating these wells to determine in which cases it would be justified to propose an aquifer exemption application to the United States Environmental Protection Agency (US EPA), or whether injection activities into certain aquifers should cease. Under the oversight of the US EPA, the Department of Conservation and the State Water

Resources Control Board have developed a work plan to bring the remaining injection wells into compliance with the Act within two years.

The Budget includes the necessary resources to accomplish compliance within this expedited time frame, as required by US EPA, and new statutory provisions that (1) formalize the Water Board's role in proposing exemption of an aquifer to the US EPA, (2) require notification of the Legislature prior to proposing an aquifer exemption, and (3) create an accountability reporting structure and an independent review panel to evaluate the underground injection control program.

Significant Adjustments:

- Department of Conservation—An increase of \$9.5 million special funds and 23 positions to enable the Department to conduct extensive evaluations of the engineering and geologic conditions of aquifers into which injection has been occurring to determine exemption from the Act. These resources will support ongoing assessment and evaluation of compliance with the Act for future injection projects proposed by the oil and gas industry. Of this amount, \$6 million is available to develop and implement a comprehensive database system for e-processing to make the permitting of wells more efficient. This Web-based system will meet the requirements of Chapter 313, Statutes of 2013 (SB 4), by providing a reporting system for operators to report required well information.
- State Water Resources Control Board—An increase of \$4 million special funds and 25 positions to enable the Water Board to perform inventory and enforcement activities for oil and gas produced water ponds in the Central Valley area. The Board will perform technical reviews of aquifer exemption submittals, hydrological reviews of injection well proposals submitted by well operators, and related activities. The Water Board also will receive information on injection wells that Conservation has identified as out of compliance with the Act, and will identify known water supply wells to assess potential health threats or impacts to water supplies.
- Department of Water Resources—An increase of \$625,000 General Fund on a one-time basis to provide public access to well completion reports to improve public and governmental evaluation of water quality risks posed by injection wells.

CALIFORNIA CONSERVATION CORPS

The California Conservation Corps was established in 1976 by Governor Brown to provide young women and men the opportunity to work on conservation projects and respond to natural disasters. The Corps builds trails, plants trees, and implements clean energy and water conservation projects. The Corps currently serves approximately 1,622 members, including over 500 who live in residential facilities.

Significant Adjustments:

- Butte County Fire Center—An increase of \$3.1 million General Fund for CALFIRE to make necessary repairs to the Butte County Fire Center that was closed in 2004. Partnering with CALFIRE, the Corps will open the Butte County Fire Center as a fire camp similar to the Camarillo Camp in Southern California. This will give the corpsmembers training in fire suppression and provide important fire protection resources in Northern California and throughout the state during heightened fire activity. It is expected that this camp will be available in mid-summer 2016.
- Long-Term Expansion—An increase of \$200,000 General Fund to begin a process of identifying sites for additional residential centers. The Corps will work with the Department of General Services to examine sites on existing state property to determine the feasibility of either reopening old facilities or building new ones.