

FY 2004 Central Valley Project Restoration Fund
(\$ in thousands)

Project	FY 2003 Request	FY 2004						FY 2004 Request	Other Fed./ Non-Fed.	Total Program
		Water & Energy	Land Management	Fish & Wildlife	Facility Operations	Facility Maintenance				
Miscellaneous Project Programs	27,427			24,472				24,472	1,334	25,806
Anadromous Fish Restoration Plan	5,000			3,000				3,000	0	3,000
Other Central Valley Project Impacts	3,000			2,500				2,500	0	2,500
Dedicated Project Yield	1,000			900				900	0	900
Flow Fluctuation Study	50			50				50	0	50
Refuge Wheeling Costs	7,800			7,800				7,800	0	7,800
Refuge Water Supply	4,300			3,945				3,945	0	3,945
Ecosystem/Water Systems Operations Model	6,277			6,277				6,277	1,334	7,611
Delta Division	5,000			0				0	0	0
Tracy Fish Facility Improvement Program	5,000			0				0	0	0
San Joaquin Division	10,544			10,860				10,860	0	10,860
Water Acquisition Program	6,944			6,860				6,860	0	6,860
San Joaquin Basin Action Plan	1,000			1,000				1,000	0	1,000
Land Retirement Program	2,600			3,000				3,000	0	3,000
Subtotal-F/W/L Resources Habitat	42,971			35,332				35,332	1,334	36,666
Shasta Division	500			500				500	0	500
Clear Creek Restoration	500			500				500	0	500
Miscellaneous Project Programs	5,433			3,768				3,768	0	3,768
Restoration of Riparian Habitat and Spawning Gravel	500			500				500	0	500
Central Valley Comprehensive Assessment/Monitoring Program	500			268				268	0	268
Anadromous Fish Screen Program (AFSP)	4,433			3,000				3,000	0	3,000
Agricultural Waterfowl Incentive Program	0			0				0	0	0
Subtotal-F/W/L Resources Management	5,933			4,268				4,268	0	4,268
TOTAL - CVP RESTORATION FUND	48,904			39,600				39,600	1,334	40,934

Note: Does not include funding from Water and Related Resources.

Central Valley Project Restoration Fund

The Central Valley Project Improvement Act (CVPIA) Restoration Fund (Fund) was authorized in the Reclamation Projects Authorization and Adjustments Act of 1992 (Act), Title XXXIV of P.L. 102-575, October 30, 1992. This Fund was established to provide funding from project beneficiaries for habitat restoration, improvement and acquisition, and other fish and wildlife restoration activities in the Central Valley Project area of California. Revenues are derived from payments by project beneficiaries and from donations.

Extensive coordination and cooperation between the Fish and Wildlife Service and Reclamation in conjunction with the Restoration Fund Roundtable continues to help ensure efficient and effective implementation of the Act. The Restoration Fund Roundtable includes Central Valley water users, hydro-power representatives, and interested groups.

Fiscal Year 2004 request, which includes \$1,334,000 in state cost-share funds, will provide funding to assist in the protection, restoration and enhancement of fish, wildlife, and associated habitats in the Central Valley Project area of California.

SUMMARIZED FINANCIAL DATA

Program Financial Data

Activity	FY 2003 ^{1/}	FY 2004
Fish and Wildlife Management and Development	\$56,111,900	\$40,934,000
Total Program	\$56,111,900	\$40,934,000
Prior Year Funds	(873,792)	0
Non-Federal	(6,334,000)	(1,334,000)
Request	\$48,904,000	\$39,600,000
Underfinancing	N/A	0
Total Reclamation Allotment	\$48,904,000	\$39,600,000

^{1/}The FY 2003 column reflects the President's budget request level.

Anticipated Receipt Allocations

	FY 2003	FY 2004
Pre-Renewal Charges	\$0	\$0
Friant Division Surcharges, 3406(c)(1)	9,000,000	8,500,000
Additional Mitigation and Restoration Payments, 3407(d)	39,578,000	30,774,000
Tiered Water Charges	300,000	300,000
Municipal and Industrial (M&I) Surcharge	1,000	1,000
Water Transfer Charge	25,000	25,000
Total Anticipated Receipt Allocations	\$48,904,000	\$39,600,000

CVPIA Requested Funds

Division	FY 03 Water and Related Resources	FY 03 Restoration Fund	FY 04 Water and Related Resources	FY 04 Restoration Fund
Miscellaneous Project Programs	\$800,000	\$32,860,000	\$500,000	\$28,240,000
Trinity River Division	7,000,000	0	7,000,000	0
Delta Division	2,442,000	5,000,000	514,000	0
Sacramento Division	2,500,000	0	1,422,000	0
San Joaquin Division	249,000	10,544,000	383,000	10,860,000
Shasta Division	100,000	500,000	100,000	500,000
Total	\$13,091,000	\$48,904,000	\$9,919,000	\$39,600,000

WORK PROPOSED FOR FY 2004:

Fish and Wildlife Management and Development - Miscellaneous Project Programs, CVP (\$28,240,000)

Anadromous Fish Restoration Plan - Section 3406(b)(1). The Anadromous Fish Restoration Program (AFRP) will continue to make reasonable efforts to at least double natural production of anadromous fish. In pursuing this goal, AFRP will work with local watershed groups and other local partners to implement locally developed and supported watershed restoration plans, and to give first priority to actions, which protect and restore natural channel and riparian habitat values. The AFRP will focus on streams with the potential to sustain natural production of winter-run chinook salmon (federally listed as endangered) and spring-run chinook salmon and steelhead (both federally listed as threatened). The streams that support these species include Sacramento, Yuba, and American Rivers, and Battle, Mill, Deer, Big Chico, and Butte Creeks. Emphasis will be on improving access for spawning adults to upstream habitat, protecting and restoring riparian and shaded riverine aquatic habitat, improving access for juvenile fish to flood plain habitats, and reducing loss of juveniles along their rearing and migratory corridors. Additional actions within the AFRP will emphasize San Joaquin River Basin fall-run chinook salmon (fall-run chinook salmon are considered a candidate for Federal listing). Actions will focus on restoring river and tributary channels and channel-forming processes, restoring spawning gravels and riparian cover, and eliminating predator ponds on tributaries. **\$3,000,000**

Other Central Valley Project Impacts - Section 3406(b)(1). Funding will be used for acquisition of fee title, conservation easements, restoration, and management of habitats as well as surveys and studies for listed, proposed, or candidate species to facilitate better management decisions for acquisition, restoration, and management. The project will focus on protecting, restoring, and conserving alkali scrub habitat in the southern Valley, Valley foothill hardwood habitat in the northern Valley, and riparian habitat throughout the Valley during FY 2004. The restoration activities of the (b)(1) "Other" Program are required as part of the Programmatic Section 7 Consultation for CVPIA and contributed to a conclusion of no jeopardy. Results from a Geographic Information System historic analysis will be used to refine acreage and cover types. Extensive coordination and partnering with other Federal, state, and nonprofit agencies will continue, particularly within CVPIA and CALFED. Between 1992 and 1998 every dollar of CVPIA funds was leveraged with \$4.80 of partner or non-CVPIA funds.

The Friant Water Users Authority, Natural Resources Defense Council, Pacific Coast Federation of Fishermen's Associations, and San Joaquin River Exchange Contractors Water Authority share a strong interest in the mainstem of the San Joaquin River and have agreed to pursue mutually acceptable restoration activities. Initially, they agreed to work on riparian habitat restoration along the San Joaquin River corridor from Friant Dam to the confluence with the Merced River. The San Joaquin River Riparian Habitat Restoration Program was formed in 1997 to pursue this objective. The budget includes public involvement, refining groundwater and surface water models, compiling and analyzing Geographic Information System data, implementing riparian restoration projects identified in the Firebaugh to Mendota Corridor Evaluation of Opportunities and throughout the program area, continuation of exotic vegetation removal efforts and implementing the restoration plan for the Milburn/Hansen Unit. **2,500,000**

Dedicated Project Yield - Section 3406(b)(2). Funding will be used to continue efforts associated with dedication and management of 800,000 acre-feet of CVP yield for the primary purpose of anadromous fish restoration as directed by the CVPIA. Operations studies will be conducted to support implementation of the objectives established by Department of the Interior. Agreements will be reached with the California Department of Water Resources for their cooperation to support the objectives, including potential conveyance of water through state water project facilities. There will be special monitoring of certain actions to provide for adaptive management. **900,000**

Flow Fluctuation Study - Section 3406(b)(9). Funding will be used to complete guidelines and agreements for the operation of the Stanislaus River. Literature reviews and field evaluations will continue on critical flow stages and ramping rates to develop guidelines and agreements for the Sacramento River. Review of operations and field observations will continue to assure effectiveness of newly established operating guidelines for the American and Stanislaus Rivers. **50,000**

Restoration of Riparian Habitat and Spawning Gravel - Section 3406(b)(13). Funding will be used for gravel restoration projects on the Upper Sacramento, American, and Stanislaus Rivers immediately downstream from Keswick, Nimbus, and Goodwin Dams, respectively. Preliminary planning and engineering are underway in newly identified downstream areas to determine optimal gravel placement. Permits and environmental documentation will be obtained and processed, engineering completed, and projects implemented. **500,000**

Central Valley Comprehensive Assessment/Monitoring Program - Section 3406(b)(16). Continues efforts to evaluate progress toward achieving the anadromous fish doubling goal in the CVPIA and assess the relative effectiveness of categories of restoration actions. Activities include the counting of juvenile and returning adult salmon and steelhead in representative Central Valley streams. Utilization of this information will allow the adaptive management of anadromous fish restoration efforts found in the CVPIA. **268,000**

Anadromous Fish Screen Program (AFSP) - Section 3406(b)(21). Funding will be used toward the AFSP Steering Committee recommendation of screening 15 of the largest diversions on the Sacramento River as a priority of the program, and the program is screening these diversions as diverters volunteer and funds become available. AFSP screen projects will directly contribute to the CVPIA goal of "at least doubling" Central Valley anadromous fish populations and are important for the protection of listed and candidate species, including winter-run and spring-run Chinook salmon, Delta smelt, steelhead trout, and splittail. Regulatory agencies, voicing concern that diversions are not being screened as rapidly as prudent to protect listed fish species and to meet the goals of the CVPIA, are considering initiating regulatory actions. To date, 15 fish screen or fish passage projects have been completed valley-wide.

Construction will continue on three screens: Natomas Mutual Water Company, the City of Sacramento's Fairbairn Water Treatment Plant, and Sutter Mutual Water Company. Additionally, construction will be initiated on other high priority diversions along the Sacramento River. **3,000,000**

Refuge Wheeling - Section 3406(d). Funding will be used for conveyance agreements with non-Federal entities to convey Level 2 and Level 4 water supplies through Federal facilities (managed by private authorities) to turnouts, through non-Federal entity facilities to state and Federal Wildlife Refuge boundaries and to the Grassland Resource Conservation District in accordance with Section 3406(d) of the CVPIA. This request provides for conveyance of Level 2 water supplies and Level 4 water supplies acquired through the Water Acquisition Program.

Conveyance agreements with the following entities are in place: Glenn Colusa Irrigation District, Sutter Extension Water District, Biggs-West Gridley Water District, Tehama-Colusa Water Authority, Department of Water Resources, San Luis Delta-Mendota Water Authority, Central California Irrigation District, San Luis Canal Company, Grasslands Water District, and Buena Vista Water Storage District. The estimated funding requirement to convey (wheel) the quantities of water supplies mandated by the CVPIA is based on a maximum quantity of approximately 408,000 acre-feet for Level 2 and 160,000 acre-feet for Level 4. **7,800,000**

Refuge Water Supply, Facility Construction - Section 3406(d). Funding is required to continue implementation of conveyance system improvements for delivery of water to the Sutter National Wildlife Refuge (NWR), Gray Lodge Wildlife Management Area (WA), and Mendota WA refuges, as mandated by the CVPIA. The Act requires Level 4 water supplies be available by 2002, which would require facility conveyance actions to be completed by that date as well. However, seasonal, operational, and environmental constraints, in addition to funding shortfalls and escalating implementation costs, have dictated the continuation of staggered implementation schedules for the remaining refuges, extending the project through 2005. All of the preferred alternatives, with the exception of Pixley NWR, require the use of existing water district facilities with some facility improvements/replacements. Partnering with water districts for implementation of the preferred alternatives is the most cost and environmentally effective and efficient option for meeting the requirements of the law. Conveyance facilities improvements have been completed for Sacramento, Delevan, Colusa, and Kern NWRs.

Fiscal Year 2004 funding includes implementation of the preferred alternative for Gray Lodge WA, the conjunctive use alternative for Pixley NWR, and, implementation of the preferred alternative for Pixley NWR.

Final payment to Central California Irrigation District for funding design and construction for the preferred alternative for Mendota WA, replacement of an existing dam, also expected to be made in FY 2004. **3,945,000**

Ecosystem/Water Systems Operations Model - Section 3406(g). Funds for the following require \$8,111,000 which includes \$500,000 from the Water and Related Resources request and \$1,334,000 from non-Federal cost-share funds.

As directed under Section 3406 (b)(3) of the CVPIA, the purpose of this activity is to acquire water on various rivers and streams to help meet instream flow objectives established in the Anadromous Fish Restoration Plan (AFRP), Section 3406(b)(1). One of the actions identified by the draft AFRP is to

increase instream flows on various rivers and streams of the central valley. CVPIA provides further that these increased flows will be met by the following actions: (1) The reoperation of the CVP (b)(1)(b); (2) the dedication of 800,000 acre-feet of CVP water (b)(2), and to the extent that the previous two actions are not available or insufficient; action (3) Section 3406(b)(3) authorizes the Secretary to acquire water from willing sellers.

In FY 2004, Reclamation, in coordination with the AFRP, will acquire water from the San Joaquin River Group pursuant to the San Joaquin River Agreement (SJRA) for the fish and wildlife restoration objective of CVPIA. Water purchased under the SJRA is in support of the Vernalis Adaptive Management Program (VAMP), or for improvement of instream flows at other times and locations on the San Joaquin River and its tributaries. VAMP represents a scientifically based adaptive fishery management plan that will help ensure that the relationships between flows, exports, other factors, and fish survival are better understood and that water supply reductions are minimized while fishery habitat improvement goals are met. Other water purchases under the SJRA are for improvement of Fall instream flow conditions on the Merced, and for augmenting flows on the Stanislaus and lower San Joaquin Rivers, outside of the April-May VAMP period. The acquisition of water is critical to ensure augmented flows on the San Joaquin River.

6,277,000

San Joaquin Division, CVP (\$10,860,000)

Water Acquisition Program - Section 3406(b)(3). CVPIA requires acquisition of 100 percent of Level 4 refuge water supplies. Requested funds will be used to attempt to meet this requirement. This request includes coordination of the CVPIA long-term water acquisition planning process with the CALFED's Environmental Restoration Program, Water Acquisition. The purpose of this activity is to purchase approximately 160,000 acre-feet of water to meet the Level 4 and full habitat development incremental water supplies (Level 4 Water) for various wetland habitat areas within the Central Valley of California. Reclamation may acquire water supplies through short-term purchase agreements; purchase options, long-term water purchase agreements that require annual payments, and participation in groundwater banking. A large percentage of this water will be acquired within the San Joaquin Valley where most of the wetlands are located. Sources of water will include reservoir storage transfers, groundwater pumping, banked groundwater, and temporary or permanent transfers of surface supplies by water right holders or project contractors. It is expected that some water supplies may be transferred through the Delta for use on the San Joaquin Valley Refuges. Approximately 160,000 acre-feet are expected to be acquired. The full incremental Level 4 water supply (163,259 acre-feet) provides for the fully developed wetlands that have adequate conveyance facilities in 2004, and includes the amount of water that could be lost (conveyance losses) through seepage and evaporation as acquired water is conveyed through non-Federal facilities in route from the CVP to the boundaries of the wetlands. The request for this activity is for only the cost of Level 4 water. The delivery of Level 4 water from its sources to the wetlands boundary is dependant upon funding requested in Refuge Wheeling.

6,860,000

San Joaquin Basin Action Plan - Section 3406(d)(5). Funds for the following requires \$1,383,000, which includes \$383,000 from the Water and Related Resources request. Requested funds will help meet program needs to complete refuge facility construction for delivery of refuge water supplies within San Joaquin Basin Action Plan lands. Specific funding efforts will include: reconstruction of the O'Banion bypass, Oro Loma Weir, and initiation of the Cottonwood Road Lateral construction effort.

1,000,000

Land Retirement Program - Section 3408(h). Lands will be selected for purchase based upon the degree to which an acquisition will further the broad environmental objectives of the CVPIA. Land purchases, will occur on a willing seller basis and will be targeted to optimize: (1) drainage problem reduction, (2) wildlife protection and restoration, and/or (3) water conservation. Funds will be used to acquire and retire

lands from irrigated agricultural production, due to poor drainage conditions, as recommended in the 1990 final report of the San Joaquin Valley Drainage Program. Lands will be retired utilizing the Interim Guidelines and existing Federal regulations.

FY 2004 actions will include continued retirement of lands to complete the 15,000 acre acquisition for the Land Retirement Demonstration Program and continue scientific data collection by utilizing the interim guidelines and existing Federal regulations. A Plan of Action will be initiated to implement programmatic environmental studies and documentation. In order to continue the purchase of several thousand acres for a land retirement program, environmental documentation will need to be completed.

The Land Retirement Program is designed to retain maximum flexibility to the government in selecting and retiring lands. Extensive monitoring will be conducted on the demonstration project lands and the knowledge gained will be used to adapt land management activities. The criteria for selection of lands for retirement may be adapted or adjusted as necessary.

Total acreage for the Land Retirement Program is dependent on the number of willing sellers that come forward to sell their property and the budgets available for Federal purchase. At this time, however, the program anticipates retiring up to 90,000 acres. **3,000,000**

Shasta Division, CVP (\$500,000)

Clear Creek Restoration - Section 3406(b)(12). Funds for the following require \$600,000, which includes \$100,000 from the Water and Related Resources budget request. Clear Creek restoration continues to aggressively implement chinook salmon and steelhead habitat enhancement projects through partnerships with local landowners, public and private agencies, and universities.

Restoration activities will focus on the implementation of the channel restoration project, addition of spawning gravel, and erosion control projects. Channel restoration work continues with preparing final designs and obtaining environmental permits for Phase 3 of the four-phased project. Phase 3 will focus on reconstructing the degraded stream channel with significant improvements being made to the quantity and quality of spawning habitat, adult holding pools, and juvenile rearing habitat.

In FY 2004 restoration activities will include the following: (1) the U.S. Fish and Wildlife Service (Service) will continue its monitoring program documenting and quantifying juvenile production of steelhead and fall, late fall, winter and spring runs of chinook salmon. The Service will also monitor geomorphic variables and juvenile fish stranding concentrating on a one mile section of creek severely degraded by past instream gravel mining; (2) fund erosion control projects that prevent fine sediment from entering Clear Creek and degrading spawning habitat; (3) restore a one mile section of creek that was significantly degraded by historic instream aggregate mining; (4) increase the quality and quantity of spawning habitat by placing clean spawning-sized gravel at several locations along the creek; and (5) continue funding the Lower Clear Creek Coordinated Resource Management Group, facilitated by the Western Shasta Resource Conservation District, to provide a forum for local landowners and the general public to participate in the restoration efforts. **500,000**

Reclamation Request **\$39,600,000**