

SUBCOMMITTEE NO. 2

Agenda

Senator Bob Wieckowski, Chair
Senator Mike McGuire
Senator Tony Mendoza
Senator Jim Nielsen



Thursday, March 30, 2017
9:30 a.m. or upon adjournment of session
State Capitol - Room 112

Consultant: Joe Stephanshaw

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Vote-Only Calendar

3850 Coachella Valley Mountain Conservancy

Issue 1 – New Appropriation of Local Assistance Grant Program Propositions 12 and 40

Governor’s Proposal. The Governor's budget proposes \$73,000 from Proposition 12 (the Neighborhood Parks, Clean Water, Clean, Air, and Coastal Protection Bond), and \$297,000 from Proposition 40 (the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund), and provisional language allowing the funds to be available for encumbrance for three years. The requested funding is part of the statutory allocation to the conservancy; however, it was never appropriated.

This request represents the remaining amounts allocated to the conservancy from these sources and the funding is primarily for local assistance grants, which are the central programs used by the conservancy to implement its statutory mission, namely to protect the natural and cultural resources of the Coachella Valley. The grants support land acquisition and restoration efforts, as well as educational and recreational projects such as trail building and maintenance.

Issue 2 – Environmental License Plate Fund Operations Shift

Governor’s Proposal. The Governor's budget proposes \$15,000 from the Environmental License Plate Fund (ELPF), as well as a \$35,000 reduction in reimbursement authority to maintain base operations and address lower than anticipated reimbursements in the future.

In previous years, the conservancy has generated a significant portion of its revenue from non-state sources through contracts with the Coachella Valley Association of Governments. However, the conservancy is currently experiencing a reduced availability of reimbursements and the amount of reimbursements is expected to remain lower than recent budgeted authority.

Issue 3 – Office Equipment Replacement Funding

Governor’s Proposal. The Governor's budget proposes \$21,000 from the ELPF, on a one-time basis, to replace office equipment. Specifically, the funding will be used to replace a copy machine/printer in service since 2006, a large document laser printer in service since 2008, and three workstation computers. The equipment replacement has been driven by frequent breakdowns or malfunctions and the unavailability of replacement parts.

3830 San Joaquin River Conservancy

Issue 1 – Environmental License Plate Fund Increase for Administrative and Management Services

Governor’s Proposal. The Governor's budget proposes \$30,000 from the ELPF to allow the San Joaquin River Conservancy to sustain administrative and management services. The conservancy’s main support budget funds two positions, office space and supplies, an interagency agreement with the Department of Parks and Recreation to provide administrative services, and legal services provided by the Department of Justice. The conservancy’s support budget has not received an increase since 2001.

3810 Santa Monica Mountains Conservancy

Issue 1 – Proposition 1 Baseline Support Budget

Governor’s Proposal. The Governor's budget proposes \$750,000, on a one-time basis, from Proposition 1 (Water Quality, Supply, and Infrastructure Improvement Act of 2014), and a corresponding reduction in reimbursement authority, for program delivery, planning, and monitoring. This request will support implementation of projects consistent with Proposition 1, the Santa Monica Mountains Comprehensive Plan, the Santa Monica Mountains Conservancy (SMMC) Workprograms for Land Acquisition and Park Development and Improvements, the SMMC Strategic Plan, and the Rim of the Valley Trail Corridor Master Plan.

Issue 2 – Outdoor Education Local Assistance Program

Governor’s Proposal. The Governor's budget proposes \$20,000 from the ELPF for local assistance for the outdoor education program. Consistent with its statutorily defined mission, the conservancy will award grants to provide outdoor education programs that increase access to outdoor experiences for underserved communities. These programs include Transit to Trails, which offers free bus trips to the mountains; and the Youth Leadership Series that provides education, training, and experience in the outdoors to young people.

3855 Sierra Nevada Conservancy

Issue 1 – Proposition 84 Support Funding

Governor’s Proposal. The Governor's budget proposes \$80,400, \$30,000 of which is ongoing until the funds are exhausted, in Proposition 84 (The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006) funds.

Proposition 84 contained \$54 million for appropriation to the Sierra Nevada Conservancy (SNC) for grants and other agreements for protection and restoration of rivers, lakes and streams, their watersheds and associated land, water, and other natural resources. Of this amount, up to 10 percent (\$5.4 million) can be used for planning and monitoring, and up to five percent (\$2.7 million) can be used for program delivery. The SNC is requesting \$30,000, ongoing, for monitoring and \$50,400, one-time, for program delivery.

Issue 2 – Proposition 1 Support Funding

Governor’s Proposal. The Governor's budget proposes to shift \$550,000 in Proposition 1 funding from local assistance to support planning and monitoring. This funding is requested to be expended over eight fiscal years, 2017-18 through 2026-27, and would reduce the original local assistance appropriation from \$5.3 million to \$4.7 million. This funding shift is needed in order for conservancy to pay for California Environmental Quality Act (CEQA) reviews for Proposition 1 projects and is consistent with allowable use of up to 10 percent of funding for planning and monitoring.

3110 Special Programs - Tahoe Regional Planning Agency**Issue 1 – Multi-Stakeholder Consensus-Based Planning Process and Environmental Impact Statement for Lake Tahoe Shoreline**

Governor’s Proposal. The Governor's budget proposes \$250,000 from the Harbors and Watercraft Revolving Fund to help fund mediation services and an environmental review. An identical budget request has been submitted to the State of Nevada. Funds from both states, and other impacted groups, will be used to develop and implement a mediated consensus-based program to ensure access to the lake and recreational opportunities in consideration of climate change and possible prolonged drought scenarios in the future. In addition to this request, the Tahoe Regional Planning Agency is contributing resources, such as staff time, to the shoreline planning initiative. The total cost of the initiative is estimate to be \$1 million.

3125 California Tahoe Conservancy**Issue 1 – California Tahoe Conservancy – Local Assistance Funding – Implementation of the Environmental Improvement Program for the Lake Tahoe Basin**

Governor’s Proposal. The Governor's budget proposes \$4.0 million for local assistance funding for implementation of the Lake Tahoe Environmental Improvement Program (EIP) from the following sources:

- Bonds - \$77,000 from Proposition 40 and \$1.2 million from Proposition 84.
- Special funds - \$100,000 from the Lake Tahoe Conservancy Account and \$350,000 from the Lake Tahoe Science and Lake Improvement Account.
- Reimbursements - \$2.3 million to Proposition 84 via Federal Funds.

Together with \$2.97 million in capital outlay requests, this proposal would make an additional \$6.99 million available in 2017-18 for projects and programmatic activities continuing California’s commitment to implementing the EIP. This commitment began in 1997 through a partnership with Nevada, the federal government, the Tahoe Regional Planning Agency, and others.

Issue 2 – Support Baseline Adjustment

Governor’s Proposal. The Governor's budget proposes \$73,000 federal funds, \$175,000 in reimbursement authorities, and \$50,000 from Proposition 40. The requested increase in federal funds and reimbursement authority allows the conservancy to pursue additional grant awards from the federal government and partner grantors. The funds from proposition 40 will go toward program delivery.

Issue 3 – Upper Truckee River and Marsh

Governor’s Proposal. The Governor's budget proposes \$1.3 million for the working drawing phase of the Upper Truckee River and Marsh Restoration project from the following sources:

- \$168,000 from Proposition 50 (Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002).
- \$51,000 from Proposition 84.
- \$481,000 from the Habitat Conservation Fund.
- \$600,000 in reimbursement authority from federal trust funds.

The Upper Truckee Marsh is the largest remaining wetland area in the Tahoe Basin. Historically, the marsh occupied a larger area along the south shore of Lake Tahoe, encompassing approximately 1,600 acres. Development in the late 1950's through the 1970's drastically altered the marsh, most notably through the excavation and filling of wetlands to create the Tahoe Keys home pads, marina, and lagoons.

This development disturbed approximately 600 acres in the center of the original marsh, resulting in a large loss of wetland habitat. The Tahoe Keys also fragmented the marsh habitat into what is now known as Pope Marsh on the west and the Upper Truckee Marsh on the east, and channelized a portion of the Upper Truckee River. The channelized river rarely overflows its banks or inundates the marsh. As a result, the marsh no longer serves as a functional wetland habitat, and most of the river's sediment flows directly into the lake.

Conservancy staff is currently working on completing the preliminary planning phase of the proposed project. Funded with existing appropriations under the conservancy's capital outlay program budget, this will include pre-project assessments, preliminary plans and draft permit applications; and property due diligence activities such as title review, easement descriptions, maps, and surveys. The proposed project seeks to restore the area's ecological values and water filtering capacity. The estimated total project cost is \$10.3 million. However, the conservancy anticipates that reimbursements will be available to cover a substantial amount of the construction costs.

Issue 4 – South Tahoe Greenway Shared Use Trail Phase 1b & 2 Project

Governor’s Proposal. The Governor's budget proposes \$250,000 in reimbursement authority from federal trust funds for the working drawing phase of the South Tahoe Greenway Shared Use Trail Phase 1b and 2 project, which consists of two segments totaling approximately one mile of the planned 3.9 mile bike trail from the state line to Sierra Boulevard in the City of South Lake Tahoe. The

estimated total project cost is \$3.8 million. The conservancy anticipates that reimbursements will be available to cover a substantial amount of the construction costs.

Issue 5 – Minor Capital Outlay

Governor’s Proposal. The Governor's budget proposes \$475,000 (\$204,000 from the Tahoe Conservancy Fund and \$271,000 from Proposition 84) for improvements needed to secure conservancy acquisitions, such as erosion control and American with Disabilities Act (ADA) requirements. Since its inception in 1984, the conservancy has acquired an ownership of over 4,700 parcels (over 6,500 acres), the vast majority consisting of undeveloped small lot properties. In other cases, the conservancy has acquired and improved, land and facilities for more formal public access and recreational use. The conservancy is currently engaged in an effort to identify and install any necessary upgrades to keep these facilities compliant with current ADA requirements. It is anticipated that up to 20 smaller minor capital outlay projects will be completed in any given year.

Issue 6 – Conceptual Feasibility Planning

Governor’s Proposal. The Governor's budget proposes \$742,000 for conceptual development of new conservancy capital outlay project proposals and opportunities from the following sources:

- \$18,000 from Proposition 12 (Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000).
- \$674,000 from Proposition 84 (Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006).
- \$50,000 in reimbursement authority from federal trust funds.

The requested resources will be used for conceptual development of new conservancy capital outlay project proposals and opportunities. Since 1998-99, the conservancy has received approximately \$301 million for Environmental Improvement Program implementation purposes. This request is consistent with the continuation of this commitment.

Issue 7 – Opportunity Acquisitions

Governor’s Proposal. The Governor's budget proposes \$200,000 from Proposition 84 for funds for pre-acquisition activities and for full fee acquisition, or interests therein, of strategic acquisitions in road less subdivisions, high priority watersheds, lakefront areas, and other environmentally sensitive or significant resource areas in the Tahoe Basin.

3640 Wildlife Conservation Board

Issue 1 – Wildlife Restoration Fund-Minor Capital Outlay (Public Access)

Governor’s Proposal. The Governor's budget proposes a one-time appropriation of \$1 million from the Wildlife Restoration Fund for capital outlay projects within the Wildlife Conservation Board's (WCB) Public Access Program. The requested funds are for six projects, as follows: one project for a fishing access site, two projects involving the construction of hiking trails, and three projects involving the construction and/or renovation of boat launch facilities. The WCB partners with federal and local entities for public access projects. These state funds will serve as a match to leverage federal funds.

Issue 2 – Proposition 12, New Appropriation - SJRC Reverted Funds

Governor’s Proposal. The Governor's budget proposes to revert and reappropriate \$141,000 Proposition 12 for the San Joaquin River Conservancy’s land acquisitions, public access, recreation, and environmental restoration projects.

Proposition 12 included an allocation specifically to implement the San Joaquin River Parkway through the San Joaquin River Conservancy. San Joaquin River Parkway projects include a combination of low-impact recreational and educational uses and wildlife conservation and protection. This request is for the remaining unspent funds and will allow the program to continue uninterrupted.

Issue 3 – Proposition 1 State Operations Augmentation

Governor’s Proposal. The Governor's budget proposes \$85,000 Proposition 1 for state operations to support an interagency agreement with the State Water Resources Control Board (SWRCB) and to fund temporary help needed to provide intermittent resources that will assist with proposal review and grant agreement execution.

Through Proposition 1, and subject to appropriation by the Legislature, \$200 million was authorized for the WCB to fund projects that enhance stream flows. The WCB developed and adopted grant guidelines and implemented a streamflow enhancement program in 2015, and awarded grants in 2016. The WCB received \$38.4 million in each of the last two fiscal years and is scheduled to receive \$38.4 million in the budget year for local assistance and project funding. This proposal will fund an interagency agreement with the SWRCB to provide a range of analytical services in support of WCB’s stream flow enhancement program, including scientific review, analysis, and consultation related to water-rights; and the preparation, analysis, review, and approval of related documents. Additionally, this request will provide intermittent resources to assist with proposal review and grant agreement execution.

Issue 4 – Proposition 12 State Operations Request for Project Delivery Funding

Governor’s Proposal. The Governor's budget proposes \$140,000 Proposition 12 for program delivery. The funding is requested to support the cost of a .5 PY Senior Environmental Scientist position and a .5 PY Senior Land Agent position. The proposal also includes a reduction in Proposition 40 authority to create a net zero increase to WCB’s overall state operations authority.

Proposition 12 allows the WCB to acquire, develop, rehabilitate, restore, and protect real property for the benefit of fish and wildlife species. This proposal seeks the necessary state operations funding needed to implement projects funded by a concurrent \$3.7 million capital outlay request from Proposition 12 resources.

Issue 5 – Proposition 12, New State and Capital Outlay Appropriation, Naturally Reverted Funds

Governor’s Proposal. The Governor's budget proposes a one-time allocation of \$3.7 million from Proposition 12 funds that have reverted, for local assistance and capital outlay projects. The WCB is also requesting provisional language allowing these funds to be made available for local assistance.

The WCB has identified viable projects for the allocation of the unencumbered balance of the original appropriation, which will allow the WCB to continue implementation of Proposition 12 in a manner consistent with the proposition’s intent and that maintains the state’s commitment to partnering with local, state, and federal agencies in acquisition or restoration of habitat or habitat corridors.

Issue 6 – Proposition 50, Reappropriation - Colorado River, Salton Sea

Governor’s Proposal. The Governor's budget proposes the reappropriation \$8.7 million, which is the unencumbered balance from Proposition 50 (Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002), and to make these funds available for encumbrance through June 30, 2020.

The Budget Act of 2003 appropriated \$32.5 million from Proposition 50 for the Colorado River Acquisition, Protection and Restoration Program, which includes the restoration of the Salton Sea. This proposal requests the reappropriation of the unencumbered balance to carry out the program.

Issue 7 – Proposition 84, New Appropriation – Natural Community Conservation Plan

Governor’s Proposal. The Governor's budget proposes \$11 million from Proposition 84 (Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006) for Natural Communities Conservation Planning (NCCP); and reversion of the unencumbered balance of a prior Proposition 84 appropriation. The funds will be utilized for grants to implement or assist in the establishment of NCCP's. Additionally, the WCB is requesting the reversion of previous unencumbered Proposition 84 balances to provide funds for the new appropriation.

A NCCP is a plan for the conservation of natural communities that takes an ecosystem approach and encourages cooperation between private and government interests. The plan identifies and provides for the regional or area-wide protection and perpetuation of plants, animals, and their habitats, while allowing compatible land use and economic activity. A NCCP seeks to anticipate and prevent the controversies caused by species' listings by focusing on the long-term stability of natural communities. Proposition 84 provided funding for NCCPs. Of the amount provided, approximately \$11 million remains unencumbered. This proposal requests a reversion of the unencumbered balances and a new appropriation of \$11 million.

Issue 8 – Proposition 84, New Appropriation – SB 8, Sacramento-San Joaquin Delta NCCP

Governor’s Proposal. The Governor's budget proposes \$5.7 million from Proposition 84 and the reversion of the unencumbered balance of a previous Proposition 84 appropriation. This will allow the WCB to continue its support of administering grants to local agencies to implement or assist in the

establishment of Natural Community Conservation Plans for the areas in or around the Sacramento-San Joaquin Delta.

3340 California Conservation Corps (CCC)

Issue 1 – Funding for C³ Operation and Maintenance

Governor’s Proposal. The Governor's budget proposes \$150,000 from the Collins Dugan Account, annually, for three years, to fund enhanced operating and maintenance costs for the C³ project.

In 2014, the Department of Technology approved a feasibility study report (FSR) to develop and deploy an automated system – now known as C³ – to replace CCC’s nearly 30 year old, legacy data collection and reporting system. The C³ project was approved through the budget acts of 2014, 2015, and 2016, which provided a total of \$4.5 million. Now that the project is complete and the system is operational, the CCC needs funding to support ongoing operations and maintenance needs.

Issue 2 – Auburn Campus: Kitchen, Multipurpose Room, and Dorm Replacement

Governor’s Proposal. The Governor's budget proposes to reappropriate \$19.7 million General Fund for the construction phase for the Auburn campus project due to unanticipated project delays. In 2015-16, \$2.7 million General Fund was appropriated for preliminary plans (\$1.4 million) and working drawings (\$1.3 million), and in 2016-17, \$19.7 million General Fund was appropriated for construction of a new kitchen, multi-purpose room, and dormitories to replace the current facilities at the Auburn campus. Completion of the preliminary plans was delayed, as the CEQA process was unexpectedly prolonged, but has since been resolved. Consequently, the construction phase will be delayed to 2017-18.

Issue 3 – Residential Center, Ukiah: Replacement of Existing Residential Center

Governor’s Proposal. The Governor's budget proposes \$1.8 million General Fund for the acquisition phase of the residential center replacement project, which was initiated in 2016-17.

The focus of the CCC's Ukiah Residential Center is for corpsmembers to gain work experience, advance their education through a high school diploma program with a charter school, and learn about careers, while helping to enhance California's natural resources and its communities. Projects include, but are not limited, to the following:

- Partnership with US Forest Service (USFS), Mendocino Forest who sponsors a Type II Fire crew that provides corpsmembers with all the necessary training. After spending two seasons on that crew, corpsmembers are usually hired by USFS, Mendocino fire crews.
- Reimbursed project work in the surrounding area, such as: Mendocino County Resource Conservation District - Willits Bypass Revegetation, Grace Hudson Museum Education Project, Sonoma County Caltrans Storm Water, National Oceanic Atmospheric Administration (NOAA), Veteran's Fisheries Interns.
- Partnership with the California Department of Fish and Wildlife (DFW) performing in-stream Anadromous Fish Habitat Restoration at the following sites: Little River, North Fork Big River - James Creek, North Fork – Noyo, North Fork/South Fork Noyo - Phase II.

This proposal would fund the renovation of an existing facility to replace the current residential center in the City of Ukiah. The CCC currently operates a residential facility through a month-to-month lease on land owned by the Mendocino County Office of Education. The existing facility was built in the 1930s and the multiple fire/life/safety building compliance code issues prevent the CCC from being able to enter into a long-term lease. This replacement project will allow the CCC to meet the health and safety standard needs of its corpsmembers and staff.

The current facility is approximately 30,000 square feet and houses 80 corpsmembers. The replacement facility will be approximately 56,000 square feet and house approximately 100 corpsmembers. The CCC will continue leasing the existing facility on a month-to-month basis until the new facility is completed.

Staff Recommendation. Approve vote only items as budgeted.

Issues for Discussion

3340 California Conservation Corps

The California Conservation Corps (CCC) provides young women and men the opportunity to work hard responding to fires, floods and other disasters, restoring California's environment, and installing clean energy and energy conservation measures at public facilities throughout the state. Through their service, the corps members gain life, work, and academic skills to become strong workers and citizens.

In addition to the CCC, there are 13 local conservation corps located in metropolitan communities throughout the state that are annually certified by the CCC, and engage young people in conservation, recycling, education, and training activities.

The CCC's budgeted program (Training and Work) focuses on four areas:

- **Natural Resource Work:** Corpsmembers protect and enhance the state's natural resources through park development, trail construction, tree-planting, fire hazard reduction, watershed improvement, wildlife habitat enhancement, removal of nonnative vegetation, meadow restoration, energy and water auditing and retrofitting, irrigation system installation, and drought-tolerant and other landscaping.
- **Disaster Response:** Corpsmembers are dispatched to fires, assisting with initial attack, mop-up and logistical support; floods, filling sandbags, reinforcing levees and stabilizing hillsides; earthquakes, removing hazards and staffing disaster assistance centers; oil spill cleanup; snow removal; search-and-rescues; pest infestation eradication; and homeland security assistance.
- **Corpsmember Education:** Corpsmembers are provided opportunities to advance their academic skills while in the CCC through local adult and charter schools, and community colleges.
- **Corpsmember Development and Training:** The CCC stresses the development of both a work and service ethic, which includes teamwork, self-discipline, leadership, and giving back to California. Corpsmembers learn conservation principles and career planning. The CCC also offers training in trail building, first aid, hazardous waste operations and emergency response, and firefighting certification, which can lead to internship opportunities with various employers in California.

Following is the Governor's budget three-year summary of positions and expenditures for the CCC. The CCC's primary sources of funding are the General Fund and the Collins Dugan Account. In the budget year, \$44.0 million of the commission's budget is proposed to come from the General Fund and \$44.3 million is proposed to come from the Collins Dugan Account.

	Positions			Expenditures		
	2015-16	2016-17	2017-18	2015-16*	2016-17*	2017-18*
2360 Training and Work Program	255.8	271.3	271.0	\$93,567	\$93,432	\$97,476
9900100 Administration	69.9	60.9	60.9	12,349	12,296	12,189
9900200 Administration - Distributed	-	-	-	-12,349	-12,296	-12,189
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	325.7	332.2	331.9	\$93,567	\$93,432	\$97,476

*Dollars in thousands

Issue 1 – Vehicle Replacement Plan Funding Realignment

Governor’s Proposal. The Governor's budget proposes to move spending authority of \$812,000 (Collins Dugan Account) from 2018- 19 to 2017-18 to allow the CCC to replace 60 vehicles in 2017-18 and complete its fleet replacement by June 30, 2018. These resources were originally approved as part of the 2016-17 Vehicle Replacement Plan Budget Change Proposal.

Background. The CCC relies heavily upon crew support trucks, large passenger vans, and crew carrying vehicles (CCVs) on a daily basis to transport corpsmember crews, project materials, tools and other equipment to and from project sites and when responding to natural disasters, in a safe and energy efficient manner. Travel distances increase significantly when all available CCC crews, regardless of location, are called to respond to natural disasters.

The current CCC fleet is significantly older than industry standards recommend. The CCC has reduced its fleet to a mandated total determined by Department of General Services, and has begun the process of systematically replacing those vehicles that have extremely high mileage, have repairs that are greater than the value of the vehicle, are unsafe to be used for personnel transport, or are no longer operable.

This request will fund the continuation of the CCC's vehicle replacement plan, but complete it in two years instead of three. The CCC will purchase 30 vehicles in the current year and 60 vehicles in 2017-18, at an average cost of \$27,067 per vehicle, allowing the CCC to replace vehicles that have reached their useful life and/or are not in compliance with current fuel efficiency requirements.

Staff Recommendation. Approve as budgeted.

Issue 2 – Funding to Operate Delta Residential Center

Governor’s Proposal. The Governor's budget proposes \$1.4 million, \$825,000 ongoing, to fund the incremental increase in permanent operating costs for one additional position and 20 corpsmembers to fully staff the Delta residential center. This request proposes a funding split of 55 percent General Fund (\$776,000) and 45 percent from the Collins Dugan Account (\$635,000).

Background. The new Delta Center is a residential center that was approved as a capital outlay project in 2000-01. After significant delays, this project is scheduled for completion in January 2018. The Delta facility will be approximately 51,000 square foot (s.f.) on 20 acres. It will have nine buildings: four dormitories, recreation, education and training with library, administration, multi-purpose with kitchen and dining, warehouse with work area and laundry, and a hazardous materials storage warehouse. There will also be 100,000 s.f. of paved surface for service and staging areas, walkways, driveways, and parking. This facility will accommodate up to 104 corpsmembers. A residential center in the Delta is important to provide the following:

- **Flood Response and Traditional Staging Area:** The CCC has had a long history in Stockton when it occupied the old Stockton Developmental Center before it was demolished. The CCC serves as the premier flood response entity working closely with the Department of Water Resources. CCC flood response dates back to the late 1970s when crews rolled out Visqueen and sandbagged many of the Delta islands. Crews from

residential centers all over the state can be staged at this facility to fight the floods when there are future large scale problems in the Delta islands.

- **High Demand for Conservation Work:** The demand for project work continues to increase in the San Joaquin Delta area. The current demand of project sponsors and hours of work available exceeds the capacity of the two Stockton satellite crews totaling 30 full-time equivalent corpsmembers. Stockton staff are already scheduling work for existing crews well into 2017 for agencies including U.S. Forest Service, Department of Water Resources, State Parks, and fire safe councils.
- **Regional Unemployment:** A residential center in Stockton will provide opportunities for young adults who do not live close enough to one of CCC's non-residential centers (many corpsmembers lack transportation and/or rely upon public transportation). Unemployment in the region served by the Delta (Stockton) Center is very high, at 9.5 percent, when compared to the statewide rate of 6.3 percent.
- **Strategic Training Center:** The Delta Center will serve as a training center for other CCC locations in Northern California in hazwoper, emergency response, and trail building. The CCC utilizes its residential facilities as a low-cost option for centralized regional and statewide training classes. The CCC brings young people and staff together from different CCC locations. The CCC kitchen and dining halls make it possible to temporarily house many corpsmembers and feed them in an efficient manner during large training sessions. Currently, options include housing corpsmembers in hotels or driving many hours to another residential center for large training classes. Centralized training includes chainsaw; energy auditing; water conservation; trail construction; watershed management; fire training; flood response; safety and other similar courses.

The CCC will permanently transfer the current staff and corpsmembers from the Greenwood Residential Center to the Delta Center. This will allow for Placer staff and corpsmembers to be transferred over to Greenwood, for another capital outlay project to begin at Placer. Because the state has invested significant resources in building a Delta residential center, the CCC is requesting additional expenditure and position authority to permanently fund residential operations and fully staff its facility. This will require one additional staff position (one Conservationist I), 20 additional corpsmembers, and additional operational costs. Lastly, this request includes \$586,000 in one-time furnishing items and moving costs.

Staff Recommendation. Approve as budgeted.

Issue 3 – Funding for Increased Workers' Compensation Costs

Governor's Proposal. The Governor's budget proposes \$1.1 million to fund increased workers' compensation costs. This proposal will be funded by approximately 55 percent General Fund (\$578,000) and 45 percent from the Collins Dugan Account (\$473,000).

Background. The department has an annual workers' compensation budget of \$3.4 million. However, in 2015-16, the costs amounted to \$3.9 million and the costs are expected to grow to over \$4.4 million in 2016-17 and 2017-18. Although training classes are conducted, and the department stresses safety

for all corpsmembers and staff, injuries are sometimes unavoidable. According to the corps, the increase is due to a number of factors:

- **Number of Participants:** Since 1976 when CCC was created, over 120,000 young adults have participated in the corps.
- **Rise in Medical Costs:** Costs have increased by about 6.7 percent in 2017.
- **Nature of CCC's Work:** Emergency response and project work are physical in nature, and many projects occur in remote, mountainous terrain. Staff and corpsmembers use heavy tools and equipment on these projects, such as chainsaws, sledge hammers, drills, etc. Since 1976, over 74.1 million hours of natural resource work, and 11.3 million hours of emergency response (i.e., fighting wildfires, helping flood relief) have been completed. In 2015, CCC devoted more than 500,000 hours to wildland fires.
- **Isolated Incident:** In February 2016, there was a tragic vehicle accident that occurred in Fresno County near Reedley. The crew was in route to a water conservation turf removal project. The accident killed three corpsmembers. One surviving corpsmember will continue to receive medical care indefinitely.
- **State Compensation Insurance Fund (SCIF) Monthly Fee:** The department's monthly fee is calculated on a nine-month rolling average of open claims, applying to SCIF's annual operating budget. SCIF's budget increased from \$112 million in 2015-16, to \$134 million in 2016-17. For corpsmembers, the fee increased from \$36,279 in 2015-16, to \$49,595 in 2016-17, equivalent to about 37 percent increase. Similarly, for staff, the fee increased from \$9,657 in 2015-16, to \$12,119 in 2016-17, which is a 25 percent increase.

Staff Recommendation. Approve as budgeted.

3560 California State Lands Commission

The California State Lands Commission serves the people of California by providing stewardship of the lands, waterways, and resources entrusted to its care through preservation, restoration, enhancement, responsible economic development, and the promotion of public access. Diligent execution of the commission's responsibilities since its inception in 1938 has resulted in the generation of over \$11 billion in revenues while protecting and enhancing the public's ability to enjoy those lands and resources.

Consisting of the Lieutenant Governor, the State Controller, and the governor's Director of Finance, the California State Lands Commission serves as a trustee for the people of the state, managing California's sovereign public trust lands and resources, which the state received upon admission into the union in 1850. It also manages other lands subsequently conveyed to the state by the federal government (commonly known as "school" lands) and oversees the management of public trust lands legislatively granted in trust to over 70 local jurisdictions. These grants encourage development and use of the state's tidelands consistent with the public trust doctrine, and typically require grantees to reinvest revenues produced from the granted lands back into the trust.

Public trust or "sovereign" lands include the beds of all natural and navigable waterways, including non-tidal rivers, streams and lakes, and tide and submerged lands within tidal rivers, sloughs, bays and the Pacific Ocean extending from the mean high tide line seaward to the three-mile offshore limit and totaling over four and one-half million acres. In addition to sovereign lands, the commission manages "school" lands, which were granted to California by the federal government for the purpose of supporting public education in California. School lands include the 16th and 36th sections of each township (with the exception of lands already reserved for public use or previously taken by private claims) and lands known to be mineral in character. Of the five and one-half million acres of school lands originally granted to the state, only about 460,370 acres remain in state ownership and these are mostly concentrated in the California desert. The commission also retains a reserved mineral interest in approximately 790,000 acres of sold school lands.

Following is the Governor's budget three-year summary of positions and expenditures for the commission. The commission's primary sources of funding are the General Fund and the Oil Spill Prevention and Administration Fund. In the budget year, \$14.7 million of the commission's budget is proposed to come from the General Fund and \$13.6 million is proposed to come from the Oil Spill Prevention and Administration Fund.

3-YR EXPENDITURES AND POSITIONS

	Positions			Expenditures		
	2015-16	2016-17	2017-18	2015-16*	2016-17*	2017-18*
2560 Mineral Resources Management	71.3	71.2	71.2	\$10,981	\$12,526	\$14,552
2565 Land Management	47.3	52.6	52.6	10,483	11,949	12,360
2570 Marine Environmental Protection Division	89.4	87.3	87.3	11,421	11,851	12,342
9900100 Administration	-	-	-	3,869	4,172	4,183
9900200 Administration - Distributed	-	-	-	-3,869	-4,172	-4,183
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	208.0	211.1	211.1	\$32,885	\$36,326	\$39,254

*Dollars in thousands

Issue 1 – Long Beach Office Relocation

Governor’s Proposal. The Governor's budget proposes \$1.2 million from various funds (\$382,000 General Fund, \$237,000 Marine Invasive Species Control Fund, \$808,000 Oil Spill Prevention and Administration Fund, and \$37,000 School Land Bank Fund) to be used for one-time moving and set up expenses for the relocation of the Commission's Mineral Resources Management Division and Marine Environmental Protection Division offices in Long Beach, and ongoing funding of \$235,237 (\$62,000 General Fund, \$38,000 Marine Invasive Species Control Fund, \$129,000 Oil Spill Prevention and Administration Fund, and \$6,000 School Land Bank Fund) for increased rent.

Background. The California State Lands Commission (CSLC) is headquartered in Sacramento, but also has offices in Long Beach and Hercules and smaller field offices in Huntington Beach and Goleta. The Long Beach office houses most of the staff of the Marine Environmental Protection Division and all of the Mineral Resources Management Division, a total of 97 positions. The two divisions occupy the 9th and 12th floors, respectively, in an office building located at 200 Oceangate Avenue. In 2013, Molina Health purchased the building, along with 300 Oceangate Avenue, with the ultimate intent to fully occupy both buildings. Molina has given the DGS notice that it will not renew the CSLC's lease when it expires in November 30, 2018. Accordingly, DGS initiated a search for substitute office space in the Long Beach area.

The CSLC currently occupies 29,160 square feet of office space at the 200 Oceangate Avenue building. The annual rent for the space is \$829,310, which equates to \$2.37 per square foot per month. The annual rent is scheduled to increase so that in the last year of the lease, the rent will be \$939,425, or \$2.68 per square foot. According to DGS the minimum size space needed to meet the needs of the two divisions is 21,753 square feet. According to DGS representative conducting the search for replacement office space, the current market rent for similar office space in the Long Beach area is \$4.50 per square foot per month. Based on the minimum size space needed and the current market rent, the new total annual rent for the CSLC office space in Long Beach would be \$1,174,662. This is an annual increase of \$235,237 (25 percent) over the last year of the existing lease.

This request also includes an additional \$523,000 in specialized tenant improvements necessary for the two divisions' office needs, and \$706,000 in moving expenses, new modular furniture, telephone system installation, and purchase and installation of data equipment.

The Marine Environmental Protection Division has regulatory authority over marine oil terminals, ballast water transfers, and marine invasive species in California waters. The ports of Long Beach and Los Angeles are the two largest ports in California and much of this division's regulatory responsibilities are located there. The Mineral Resources Management Division oversees the leasing and management of the CSLC's mineral interests, which include offshore oil production. The division also has engineering, inspection, and oil spill prevention responsibilities associated with oil production. Most of the CSLC's offshore oil leases and agreements are located in the Pacific Ocean offshore Los Angeles, Orange, Ventura, and Santa Barbara counties. The largest agreement in terms of revenue generation is located in Long Beach and division staff frequently meets with the oil operator and City of Long Beach staff on oversight and lease management issues.

Staff Recommendation. Approve as budgeted.

Issue 2 – Bolsa Chica Lowlands Restoration Project Operations Management Funding

Governor’s Proposal. The Governor's budget proposes \$1.0 million General Fund, on a one-time basis, to fund operations and management costs for the Bolsa Chica Lowlands Restoration Project in Orange County. Operations and management costs average \$1.5-\$2.0 million annually, including required dredging, on-site staff, repairs and other operational costs. The trust fund within the Kapiloff Land Bank Fund currently used to support the Bolsa Chica Lowlands is estimated to have at least \$1.0 million available for 2017-18.

Background. Historically, thousands of acres of highly productive saltwater and freshwater marshes extended from Anaheim Bay to the Huntington Beach bluffs, including 2,300 acres of the Bolsa Chica Lowlands, as part of a vital part of the coastal ecosystem. Today, 90 percent of California's historic coastal wetlands have been lost, primarily due to development.

By 1900, the ocean inlet had been cut off destroying the tidal nature of these coastal wetlands. In the 1940s, oil production began in Bolsa Chica and oil drilling rigs dominated the area, and remains today. In 1973, the commission acquired about 330 acres in Bolsa Chica through a settlement agreement. Between 1996 and 2005, the commission acquired about 950 additional acres in the Bolsa Chica Lowlands, bringing public ownership to more than 1,200 acres. In 1996, the commission entered into an interagency agreement with three state and four federal agencies to plan, design, construct, and maintain the project as mitigation for impacts from the new terminal facilities for the ports of Long Beach and Los Angeles. In all, approximately \$150 million has been invested in the restoration and operation of the project.

Restoration of the severely degraded wetlands began in 2004, and the majority of the first phase of the restoration project was completed in 2006. After more than 100 years, a new tidal inlet opened in 2006, restoring tidal influence to the historic Bolsa Chica Project wetlands. This project, the result of decades of planning and cooperation by the public and government agencies, is the largest coastal wetland restoration in Southern California history.

Ten years of post-restoration monitoring has shown that the wetlands have meaningfully increased the availability of bay habitat, improving southern California fishery resources. The project created new and critical habitat for 22 endangered and special status species, including a variety of vegetative, invertebrate, fish, and avian species. The wetlands are also a critical stop for migrating shorebirds on the Pacific Flyway. In addition to providing a valuable ecological resource, the Bolsa Chica Lowlands today also provide a valuable public resource.

Educational groups, non-profit organizations and the general public frequent the site throughout the year to learn about wetland habitats, photograph wildlife, hike or fish in designated areas, and enjoy the wetland open space. With 20 access points and two adjacent parking lots, as many as 400 members of the general public access the wetlands on any given day. Special events and organizations such as the Amigos de Bolsa Chica, provide additional educational and public out-reach programs throughout the year, bringing an estimated public visitation of more than 80,000 people per year to the Bolsa Chica Lowlands.

The initial endowment for long-term management costs of \$15 million have been nearly depleted due to record low investment returns in recent years and unanticipated adapted management costs necessary to maintain the success of the wetland. Annual operational costs average \$1.5-\$2.0 million, including required tidal inlet dredging, costs for on-site CDFW manager, and other site maintenance and repairs. The project is now threatened by insufficient financial resources to maintain the system, with approximately \$2.8 million remaining in operational funds. Without augmented funding, reserve funds will be exhausted before the end of 2017-18.

If the ocean inlet closes from a lack of operational funds, the tidal connection is lost and the wetlands cannot drain resulting in a rise in the water levels, and catastrophic effect to the habitat and wildlife. Additionally, the state could be exposed to liability for potential damages to the adjacent residential areas and to the oil field operator for any lost production or oil spill cleanup costs caused by flooding.

Staff Recommendation. Approve as budgeted.

Issue 3 – Records Digitization and Indexing

Governor’s Proposal. The Governor's budget proposes \$200,000 (\$100,000 from the Marine Invasive Species Control Fund, and \$100,000 from the Oil Spill Prevention and Administration Fund), on a one-time basis, for contracted records digitization services.

Background. The CSLC houses over four million, mostly paper-based, vital records dating from the mid-1800s. The records provide important information to an array of land management professionals as they serve the public. Hand-drawn maps, deeds, letters, legal judgments, aerial photographs, reports and CSLC meeting minutes, all relating to the administration of state lands, are accessed on a regular basis by CSLC staff. Currently, in most instances (over 80 percent), the non-digitized records have no backup copies and are exposed to potential disasters of fire and flood. These records are used daily in work products, created by commission staff, for leasing activities that generate revenue to the General Fund and The State Teachers Retirement Fund. This everyday use causes deterioration from handling and increases the risk of the records being lost. Many of these records are one-of-a-kind and provide the basis for the state's ownership of both its sovereign and school land assets. The current processes for locating these records are built around a paper-based spatial reference tool developed in the 1950s known as the ZNE system (Zone Northing and Easting). Within this system is an index of all land transactions that the CSLC has undertaken. The ZNE system is essentially a paper geographic information system. The chief threat to this system is that there is no way to back it up or provide redundancy and there are no provisions for business continuity should a disaster ensue. This central index touches nearly every record series at the commission.

Leveraging the existing CSLC Enterprise GIS system, CSLC would begin to digitize and create the appropriate related geospatial content in order to preserve and locate many of the vital records. An outside services contract of \$200,000 will be used to begin the process of digitizing the highest value datasets. Because CSLC lacks the specialized equipment and resources for digitizing, it would be cost-effective to pay a vendor for digitizing services. With an estimated cost of 0.44 cents per page to digitize, a budget of \$200,000 annually would allow the commission to scan approximately 400,000 records, or 10 percent of its estimated four million records, per year.

Staff Recommendation. Hold open.

Issue 4 – Selby Slag Site Remediation

Governor’s Proposal. The Governor's budget proposes \$470,000 General Fund to support the state’s obligation to pay a proportionate share of certain ongoing hazardous waste remediation costs at the Selby Slag site pursuant to a 1989 consent judgment.

Background. The commission is a party to the 1989 consent judgment that requires remediation of extensive heavy metal contamination on a 66-acre site in Selby, Contra Costa County, just west of the Carquinez Bridge. Between 1886 and 1970 a lead, gold, and copper smelter operated on the site. Beginning in the late 1940s, the state, apparently unaware of the toxic character of the smelter slag, negotiated leases of tidelands to the American Smelting and Refining Company (ASARCO) and its predecessors that directed placement of the remnant smelter slag on and into state-owned land. It was later discovered that the heavy metals in the slag had been migrating from the site into San Francisco Bay. In 1983, the then-current leaseholder sued ASARCO and the commission, under the comprehensive Environmental Response, Compensation, and Liability Act, to allocate liability for cleanup costs. Due, in part, to certain lease provisions approved by the commission in 1951, the Attorney General's Office recommended entering into a settlement agreement with the other two parties in 1989.

The consent judgment required the commission, along with ASARCO and the current upland landowner, C.S. Lands Inc., to pay one-third each of specified Phase I remediation costs. Phase I work included dredging of contaminated sediments, soil de-acidification, and placement of an asphalt cap over the contamination, and closure of an oxidation pond and hook-up of a new sewer line to the Rodeo Sanitary District sewer system.

The state is required to make reasonable efforts to obtain funding to perform the activities spelled out in the consent judgment. Failure to fulfill these obligations may result in a re-allocation of liability by the federal court retaining jurisdiction over this matter. Approval of this proposal will fulfill the state's obligation to fund its share of the remediation and will allow site remediation to proceed in a timely manner. Heavy metals continue to migrate from the site into San Francisco Bay. Any delay due to lack of funding will result in greater mass loading of metals into the Bay than would have occurred if the project proceeded on schedule.

Staff Recommendation. Approve as budgeted.

Issue 5 – Abandonment of the Becker Onshore Well

Governor’s Proposal. The Governor's budget proposes \$700,000 General Fund to conduct Phase 2 activities related to the abandonment of the Becker Onshore Well.

Background. The Summerland Oil Field was developed in the late 1890s from shore and from wharfs that extended into the Pacific Ocean in an area of naturally occurring oil and gas seeps. The field was the first offshore oil development in the United States. No records exist of the drilling and later abandonment of the wells. When production ceased to be economical in the early 1900s, operators simply left many of the wells and piers to deteriorate. Others were "abandoned" by their operators. Any well abandoned by its operator was typically completed in a manner consistent with the

procedures of the time, which consisted of plugging the well with poles, dirt, rocks, rags, and any other material that might be available.

In the late 1960s the CSLC conducted a Summerland Beach Cleanup Project that included the abandonment of 60 wells with short cement plugs (about five feet) and the cutting off of their casings. In 1993, the CSLC abandoned three more wells on Summerland Beach as part of its Summerland Well Abandonment Project. These three wells were exposed at low tide and submerged about three feet at high tide. The wells were abandoned using a rig mounted on a 20-foot high steel structure, known as a SSV (Surf Sled Vehicle). The project was completed for approximately \$863,000.

In 1994, the CSLC, the Office of Oil Spill Prevention and Response, and the offices of U.S. Senator Feinstein and State Representative Jack O'Connell, requested the U.S. Coast Guard (USCG) to secure Oil Spill Liability Trust Fund revenues to abandon wells in the area that might be responsible for oil seepage into the ocean. The USCG conducted a two-phase study of the Summerland area seeps. The first phase was a geophysical/ hydrographic sight survey. A Summerland area map describing the oil well casings, oil seeps, and wharf and pier piling type hazards was developed from the survey. Forty-three potential targets were identified for further investigation. During phase two, seven of the 43 sites were determined to require excavation to determine seep sources. Sheens in the area were believed to be caused by natural seepage using the plug or well casing as a conduit. After spending about \$215,000 on the study, the USCG determined that one well (originally drilled from the long since removed Becker Pier) was leaking about four barrel of oil per day and represented the greatest concern. The well is described as the Becker Onshore Well.

The Becker Onshore Well is located in the surf zone area approximately 30 to 40 feet offshore from the mean high tide line at the point where the former Becker pier complex terminated onshore. This pier complex was constructed at the turn of the century and only a few remnants can be identified further offshore. Fresh oil can be observed bubbling up through the beach sand during certain conditions. These conditions occur when the beach sand cover is removed by tidal action coupled with low tides. This condition persists in the spring and fall months after storms and the lowest tides of the year occur. Oil from the leaking well causes sheening to occur in the ocean off Summerland Beach. As stated above, the well casing was discovered during survey work directed by the Coast Guard and CSLC in the fall of 1994. The Becker Onshore Well was drilled at the turn of the century prior to any regulatory or CSLC leasing authority being in place. Regulation of offshore oil and gas development and production did not occur until the State's Tidelands Act in 1921. Since no responsible party has been identified for the abandonment of the Becker Onshore Well, the State of California, as owner of the land on which the well is located, may have to assume responsibility.

This project first requires CSLC staff to prepare the appropriate environmental document to comply with CEQA. It also requires obtaining necessary permits and approvals for beach access, as well as engineering, environmental and administrative staff monitoring of the project. These actions represent Phase 1 of the abandonment plan. Phase 2 will be the actual abandonment activities. Funding for Phase 1 was provided through an approved 2016-17 budget change proposal. That budget change proposal also approved \$700,000 for actual abandonment activities in 2017-18. The \$700,000 abandonment cost was based on a prior estimate. However, a study commissioned by CSLC staff, prepared by Interact, an international engineering firm specializing in oil and gas production, development, and decommissioning services, in March 2016, reported a cost estimate of \$1,400,000. Accordingly, the CSLC is requesting an additional \$700,000 for Phase 2 in FY 2017-18.

Staff Recommendation. Approve as budgeted.

3540 Department of Forestry and Fire Protection

The California Department of Forestry and Fire Protection (CAL FIRE) serves and safeguards the people and protects the property and resources of California. CAL FIRE provides all hazard emergency - fire, medical, rescue and disaster - response to the public and provides leadership in the protection of life, property and natural resources. CAL FIRE safeguards the public through: engineering; research, development and adoption of regulations; fire and life safety programs; fire prevention, law enforcement, and public information and education; resource protection; and emergency response.

CAL FIRE limits the damage caused by fires, disasters, environmental degradation, and related emergencies by employing diverse yet complimentary efforts including: training California's fire service professionals; public education and prevention awareness; responsible stewardship of our natural resources; and natural resource and emergency management.

Following is the Governor's budget three-year summary of positions and expenditures for CAL FIRE. CAL FIRE's primary source of funding is the General Fund. In the budget year, \$1.3 billion of CAL FIRE's budget is proposed to come from the General Fund.

3-YR EXPENDITURES AND POSITIONS

	Positions			Expenditures		
	2015-16	2016-17	2017-18	2015-16*	2016-17*	2017-18*
2460 Office of the State Fire Marshal	135.8	154.8	-	\$26,587	\$27,687	\$-
2461 Office of the State Fire Marshal	-	-	166.8	-	-	31,329
2465 Fire Protection	5,659.4	5,858.0	5,436.2	1,774,307	1,914,769	1,814,639
2470 Resource Management	328.3	328.3	334.1	52,523	129,947	73,208
2475 Board of Forestry and Fire Protection	6.0	6.0	8.0	934	1,959	2,254
2480 Department of Justice Legal Services	-	-	-	3,457	6,164	6,164
9900100 Administration	574.2	617.0	652.2	82,855	100,836	112,293
9900200 Administration - Distributed	-	-	-	-81,311	-100,836	-112,293
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	6,703.7	6,964.1	6,597.3	\$1,859,352	\$2,080,526	\$1,927,594

*Dollars in thousands

Issue 1 – Timber Regulation and Forest Restoration Program Proposals

Governor’s Proposal. The Governor's budget includes the following three proposals:

1. **Timber Regulation and Forest Restoration Program.** The Governor’s budget proposes \$9 million Timber Regulation and Forest Restoration Fund (TRFRF) and 15 positions in FY 2017-18, \$1.2 million and seven positions ongoing, for three state entities to implement the Timber Regulation and Forest Restoration Program (outlined in the following table).

Timber Regulation and Forest Restoration Program Proposals	
Natural Resources Agency	<ul style="list-style-type: none"> ➤ \$470,000 one-time for development of the on-line timber harvest permitting system. ➤ \$90,000 ongoing for system maintenance and operation of the on-line timber harvest permitting system. ➤ \$300,000 for two years to extend current support for pilot projects and forest condition data acquisition. ➤ \$149,000 for one permanent position to support expanding AB 1492 (Blumenfield), Chapter 289, Statutes of 2012, program implementation responsibilities.
Department of Forestry and Fire Protection	<ul style="list-style-type: none"> ➤ \$424,000 for two positions to support on-line timber harvesting permit system. ➤ \$1.6 million for a one-year extension of eight limited-term forest restoration grant positions. ➤ \$3.5 million to continue local assistance grant funds for FY 2017-18.
State Water Resources Control Board	<ul style="list-style-type: none"> ➤ \$2 million annually, for two years, to continue existing forest restoration grants. ➤ \$549,000 to convert four current limited-term positions to permanent positions to help implement accountability and forest restoration components of the Timber Regulation and Forest Restoration Program.

2. **Implementation of AB 1958, AB 2029, SB 122.** The Governor's budget proposes \$1.4 million (\$1.3 million Timber Regulation and Forest Restoration Fund and \$120,000 reimbursements) and six positions to comply with AB 1958 (Wood), Chapter 583, Statutes of 2016; AB 2029 (Dahle), Chapter 563, Statutes of 2016; and SB 122 (Jackson), Chapter 476, Statutes 2016 (see description below). The requested resources will be used for:
 - a. Monitoring the use of, and compliance with Timber Harvest Plan (THP) exemptions and emergency notice provisions.
 - b. Reviewing the effectiveness of THP exemptions and emergency notice provisions.
 - c. Preparing records of proceedings concurrently with the preparation of a project's environmental document to improve the California Environmental Quality Act review process.

The \$120,000 reimbursements will be funded by the requesting party paying for the costs of preparing the record of proceedings, which is separate from and not required for THP review.

3. **L.A. Moran Reforestation Center – Operational Restoration and Forest Health.** The Governor's budget proposes \$4.8 million TRFRF, and two permanent and 3.8 temporary help positions, to restore reforestation nursery operations at the L.A. Moran Reforestation Center.

Background. The State Z' Berg-Nejedly Forest Practice Act of 1973 requires timber harvesters to submit and comply with an approved timber harvesting permit. The most common permit is a Timber Harvesting Plan (THP), which describes the scope, yield, harvesting methods, and mitigation measures that the timber harvester intends to perform within a specified geographical area over a period of five years. After the plan is prepared, TRFRP staff review and approve them for compliance with timber harvesting regulations designed to ensure sustainable harvesting practices and lessen environmental harms. CAL FIRE takes the lead role in conducting these reviews but gets assistance from the Department of Fish and Wildlife (DFW), the Department of Conservation, and the State Water Resource Control Board (SWRCB). The regulation of timber harvesting is exempt from meeting certain CEQA requirements, including the preparation of an environmental impact report, because this process is sufficiently equivalent to the CEQA process. The state approved 254 THPs in 2015-16.

Prior to 2012-13, the state's review of THPs was funded mainly from the General Fund. In addition, DFW and SWCRB also levied a few fees for various THP-related permits to support such activities. Total funding for THP reviews was about \$25 million. However, General Fund support for THP-related activities was reduced to less than \$20 million as a result of the state's fiscal condition during the recession. Position authority also declined during this period.

AB 1492 authorized a one-percent assessment on lumber and engineered wood products sold at the retail level, to fully fund THP regulatory activities. This revenue was to be used to increase staffing and reduce the amount of time it takes for departments to review THPs, as well as provide departments with additional resources necessary to perform more comprehensive THP reviews. Revenues collected from this tax are deposited into the TRFRF and are intended to fully fund the timber harvest regulatory program. In 2015-16, the lumber assessment generated \$40 million in revenues.

AB 1492 required that, in addition to funding regulatory costs (and maintaining a minimum \$4 million reserve), revenue from the TRFRF can be spent on specific programs to improve forest health and promote climate change mitigation or adaptation in the forestry sector. In 2016-17, about \$7.5 million—or roughly one-fifth of the TRFRP budget—is budgeted for local assistance grants for forest restoration. The largest program is the California Forest Improvement Program (CFIP) run by CAL FIRE, which currently receives about \$5 million from TRFRF.

CFIP reimburses part of the costs for smaller landowners (between 20 and 5,000 acres) to conduct certain forest health activities on their land, such as preparing management plans, tree planting, land conservation, and improvement of fish and wildlife habitat. In 2015-16, this program provided 96 grants to treat 35,000 acres of forest land. The rest of the TRFRF local assistance funding is administered by DFW and SWRCB and supports grants to nonprofits and local governments, primarily for restoration of habitat and watersheds. For example, in 2015-16, funding for SWRCB supported four projects for habitat restoration and watershed assessments and planning.

AB 1958, AB 2029, SB 122. AB 1958 and AB 2029 provide landowners an exemption from the need to submit a THP to conduct timber operations on their lands. AB 1958 addresses the consistent decline of oak woodlands due to the encroachment of conifers, by providing an exemption from the requirement to submit a THP for the cutting and/or removal of trees to restore and conserve oak woodlands. Once conifers become established within areas historically occupied by native oak woodlands, they can quickly overtop oak trees, shading them out and jeopardizing the oak's ability to regenerate. This bill provides landowners with a cost-effective way to enhance oak woodlands while ensuring the protection of other resources that could be impacted by timber harvesting operations.

AB 2029 addresses the lack of use of the Forest Fire Prevention Exemption (FFPE). To date there have only been 21 requests to use this exemption, totaling 2,588 acres. Barriers, such as the limitation on the size of trees that can be removed and the existing sunset date, limited the success of the FFPE. Five consecutive years of unprecedented drought has prompted epidemic levels of bark beetles and tree mortality across the state. Longer and drier summers place additional demands on trees and push the limits of their tolerance of water stress. Larger, more intense, and more frequent wildfires are also causing widespread tree mortality. Wildfires release thousands of tons of greenhouse gas emissions and other harmful pollutants into the atmosphere. The thinning of forests is widely known to reduce the threat of catastrophic wildfires by removing vegetative fuels from the forests; reducing risk of canopy fire; increasing water storage by reducing the need for water in forests; and creating conditions that favor healthier, more resilient forests. Taken together, these events are creating an urgent need for immediate, cost-effective fuels management to protect lives and property within the urban interface. In addition, there is a need within the broader forest landscape perspective to prevent large, catastrophic wildland fires, as well as contribute to firefighter safety by reducing forest vegetative fuels. At the same time, fuels reduction reduces the threat that wildfire poses to watersheds, water quality, and fish and wildlife habitat.

SB 122 addresses the lack of transparency in the CEQA environmental review process and the length of time it can take a project applicant to complete the CEQA review process, including all associated legal challenges, thereby improving the CEQA environmental review process. SB 122 requires CAL FIRE, as specified, to prepare a record of proceedings concurrently with the preparation of a project's environmental document when requested by project applicants, and for CAL FIRE to post all documents and other materials in the record of proceedings on an Internet website maintained by CAL FIRE.

L.A. Moran. The L.A. Moran Reforestation Center (LAMRC) has been used in the past to support the reforestation of public and private forest lands, especially those that have been damaged by fire, flood, drought, insects, and disease. The Governor's budget proposes these activities to encourage landowners to participate in reforestation activities, as soon as possible following natural disasters, in order to begin recovery of forest health and reduce soil erosion and water pollution. The center is expected to provide 300,000 seedlings annually.

Historically, the state operated three nurseries, which provided 600,000 to 800,000 seedlings annually that were native to the state's approximately 80 "seed zones" or habitat types. The last of these nurseries closed in 2011 due to budget constraints during the recession. The department indicates that federal and private nurseries were unable to fully backfill the loss of state seedlings, and that there are currently no private nurseries operating within California that cover all of California's seed zones. Additionally, according to the department, private nurseries typically only grow seedlings on request, which can result in significant delays in acquiring seedlings after a natural disaster. Conversely, state nurseries keep seedlings stocked so they are immediately available. Seedling delays can allow

unwanted vegetation to take over and increase erosion. The department anticipates a significant demand for seedlings over the next few years due to tree mortality and the associated increased fire risk.

Legislative Analyst's Office (LAO). The LAO does not have specific concerns with the activities proposed. Much of the proposal is the continuation of forest health activities that have been funded for the past couple of years. Additionally, these activities are in line with those identified in TRFRP statute to promote forest health, and requested funding levels appear to be in line with associated workload.

However, the LAO notes that under the Governor's budget plan, total spending from TRFRF is expected to be about \$15 million higher than revenues in the budget year. This does not present a problem in 2017-18, because the fund has accumulated a large fund balance. However, in out years—perhaps as early as in 2018-19—the fund is unlikely to be able to support the same level of spending for program operations and grants. While the funding for CFIP and SWRCB grants is only proposed on a limited-term basis, the Legislature has supported these programs in each of the past few years, suggesting they might reflect ongoing legislative priorities. Consequently, the LAO suggests that decisions about whether to approve the increase in ongoing funding from TRFRF—totaling \$4.4 million—should take into consideration how these new funding requests should be prioritized against other spending options in the future, such as for local assistance grants.

Staff Comments. While the LAO raises legitimate concerns in regard to the long-term condition of the fund, the Administration has indicated that the funds revenue projections are higher than at the time of the Governor's budget and that the fund's balance will be sufficient to meet the minimum requirement of \$4 million in the next couple of fiscal years. Further, the Administration reports that due to the one-time nature of many of the programs funded out of the TRFRF, adjustments can be made if needed. Given this, staff would note that these proposals implement bills recently passed by the Legislature or are policies that the Legislature has previously supported.

Staff Recommendation. Approve as budgeted.

Issue 2 – Emergency Drought Actions

Governor’s Proposal. The Governor's budget proposes \$91.0 million (\$88.0 million General Fund and \$3.0 million State Responsibility Area Fire Prevention Fund) in 2017-18, to address heightened fire conditions brought on by drought conditions.

Background. The recent drought left California with a range of challenges, which continue despite this year’s rain and snow. While reservoir levels have recovered, there is significant wildfire risk from millions of dead trees.

The latest United States Forest Service aerial survey estimated over 102 million trees have died because of the drought and the effects of bark beetle infestation, an additional 36 million dead trees since the last aerial survey in May 2016. In 2016 alone, 62 million trees have died, representing more than a 100 percent increase in dead trees across the state from 2015. Millions of additional trees are weakened and expected to die in the coming months and years. All of this will increase the susceptibility of the fuel bed for ignitions, thus increasing the potential for large and damaging fires.

In previous budgets, to help meet the unprecedented drought conditions, CAL FIRE staffed up its engines, air attack bases, and helitack bases earlier than normal and added command and control functions and staff the Governor's budget reserves funding for the continued staffing of engines, air attack bases, helitack bases, and the augmentation of resources between January and June 2017. In the budget year, CAL FIRE is proposing to take other actions to protect public safety during this time of elevated fire risk. CAL FIRE is requesting additional resources through calendar year 2017, in order to enhance CAL FIRE's fire protection capabilities. The request is broken down into the following categories:

- **Early Start/Delayed Down Staffing.** CAL FIRE requests funding for extended staffing on engines, at air attack bases and helitack bases. The extended staffing will end on December 31, 2017.
- **LT Engineer.** CAL FIRE requests funding to hire additional Fire Apparatus Engineers (FAEs) in each of the 21 units, to staff engines in direct support of delayed shift relief and increased overtime that already exists and will be compounded by an increase in wildland fire incidents.
- **Fire Crew Supervisors/ Military Crew Coordinators.** CAL FIRE requests funding to hire additional fire protection staff, given the ongoing drought conditions and the associated increase in fire danger. CAL FIRE has been required to staff fire crews beyond what would be normally expected following the end of fire season.
- **Training and Safety.** CAL FIRE requests additional funding to ensure the firefighters contained within this budget request receive necessary required training and safety classes.
- **Public Education Funding.** CAL FIRE requests funding for public education media buy for the already developed tree mortality bark beetle campaign that focuses on the high hazard tree mortality areas that have critical infrastructure and life safety hazards.

- **CAL Card/Logistics.** CAL FIRE requests funding to support prompt processing and payment of CAL Card statements. The use of CAL Card allows CAL FIRE to purchase mission-critical items on incidents from local vendors who desire immediate payment for services.
- **Command Center Support.** CAL FIRE requests funding to contract with a vendor to update the Computer Aided Dispatch (CAD) maps for the 56 counties with SRA. CAD map support has a direct impact on firefighter and public safety. The requested funding will allow software, database, and geographic information system mapping maintenance, helping to ensure more accurate dispatching and resource tracking, quicker emergency response, and increased initial attack success while enhancing firefighter and public safety.
- **Intel Support.** CAL FIRE requests funding additional Intel support positions in Sacramento and for the two regions.
- **Firefighter Surge Capacity.** CAL FIRE requests funding to create a pool of 416 firefighters to meet various operational needs as those conditions manifest and necessitate. Given the extreme fire conditions that have occurred with five consecutive years of drought, this resource pool will provide additional response capability on assigned engines (increased efficiency for initial attack) and the ability, if necessary, to staff 23 reserve engines that CAL FIRE has delayed in surveying out to the Department of General Services.
- **Defensible Space/ Prevention Education.** CAL FIRE requests funding for additional Forestry Aides to complete defensible space inspection and fire prevention education workload.
- **Vehicle Repair and Maintenance.** CAL FIRE requests additional funding for increased vehicle repair funding, given drought driven fire conditions that results in more wear and tear on equipment.
- **Exclusive Use LAT and VLAT Contracts.** CAL FIRE requests additional funding for two exclusive use (Large Air Tanker) LATs and one exclusive use Very Large Air Tanker (VLAT) that will supplement the Department's 22 air tankers.
- **McClellan Reload Base.** CAL FIRE requests to fund the ground crew at the McClellan Reload Base given drought driven fire conditions that results in higher demand for aircraft support.
- **Helicopter Pilot Surge Capacity.** CAL FIRE requests funding to add seven additional Forestry Fire Pilots given increased fire activity that has increased the pilot flight hours and pilot flight hour limitations.
- **CCC Fire Suppression Crews.** CAL FIRE requests additional funding to temporarily convert CCC reimbursement crews to fire crews at the Placer Residential Center, in order to provide additional fire crews within close proximity to areas with high amounts of tree mortality. CAL FIRE is also requesting funding in order to ensure the Placer Residential Center crews are exclusively available to CAL FIRE to complete fire prevention work to mitigate the fire and falling hazard caused by the current and inevitable greater amount of dead and dying trees within the Sierras.
- **Mobile Equipment Budget.** CAL FIRE is requesting funding for the permanent acquisition of replacement and additional mobile equipment that would be added to the fleet. This will include, but is not limited to surge fire engines, relief fire engines, and frontline engines.

- **Contract Counties.** CAL FIRE requests funding to provide proportional funding for the six contract counties (Kern, Marin, Orange, Los Angeles, Santa Barbara, and Ventura) that directly provide fire protection for State Responsibility Area (SRA) within their boundaries. The six contract counties have seen a similar increase in SRA fire activity, as experienced in the 50 counties protected by CAL FIRE.

Legislative Analyst's Office. The LAO offered a framework for the Legislature to use when considering the drought proposals, consisting of three categories:

- **Necessary Emergency Response.** One-time emergency response activities needed to address lingering drought impacts.
- **Build Drought Resilience.** Activities that both respond to current conditions and could be continued on an ongoing basis to help build the state's resilience for future droughts.
- **Potentially Not Necessary.** Activities that could be decreased or eliminated based on improved hydrologic conditions and decreased response needs.

The LAO expects that some drought response activities will continue to be needed, despite increased precipitation and improved conditions. The vast number of dead and dying trees in the state's forests has contributed to an increased risk of wildfire and many need to be removed to improve public safety. The LAO anticipates that funding for tree removal and firefighting through CAL FIRE and the Office of Emergency Services still will be needed in 2017-18. Additionally, drought conditions and impacts linger, particularly in the southern half of the state. As such, the LAO expects that some level of statewide coordination and emergency response will need to continue.

Staff Comment. Given the fact that CAL FIRE's drought proposal, along with other drought proposal's contain in the Governor's budget, was developed prior to this winter's storms, it is reasonable for the Legislature to expect that the proposal may change to account for the changes in conditions. However, as the LAO points out, there will still be a need for some of the activities contained in this proposal. As such, the Legislature should assess the effectiveness of activities to date and whether the activities that the Administration ultimately proposes align with Legislative priorities. For example, at the request of the Legislature, the 2016 Budget Act included \$10 million in local grants from the SRA fund directed toward tree mortality and fire prevention projects involving fuel reduction, emergency planning and public education. The Legislature may wish to ask the Administration to report on use of these funds and whether these efforts should be maintained.

Additionally, At a February 27th joint informational hearing held by the Senate Committee on Natural Resources and Water and the Assembly Natural Resources Committee, the committees heard testimony in regard to the need to increase the use of prescribed and managed fire. The Legislature may wish to explore opportunities to provide additional resources for CAL FIRE's prescribed fire program.

Staff Recommendation. Hold open.

Issue 3 – Board of Forestry and Fire Protection Fiscal Realign

Governor’s Proposal. The Governor's budget proposes a net increase of \$293,000 (\$193,000 State Responsibility Area Fire Prevention Fund, \$410,000 Timber Regulation and Forest Restoration Fund and reductions of \$308,000 General Fund and \$2,000 Professional Forester Registration Fund) for specified Governor's appointee and staff salary increases and one position for a full-time, dedicated attorney.

Background. The Board of Forestry and Fire Protection is a government-appointed body within CAL FIRE. The board is responsible for developing the general forest policy of the state, for determining the guidance policies of CAL FIRE and for representing the state's interest in federal forestland in California. Together, the board and CAL FIRE work to protect and enhance the state's unique forest and wildland resources.

The board's workload is primarily developing regulations, development and certification of CEQA compliant projects. Currently, the board pays the Department of Justice for its legal needs on an hourly basis. The board is requesting a full-time, dedicated Attorney IV due to the increase in legal counsel needs of the board.

The board recently filled its Executive Officer position. The salary range for the Executive Officer was increased by approximately 20 percent. Additionally, the board intends on soon filling the Assistant Executive Officer. The board is also requesting funding for a 20 percent salary increase for the Assistant Executive Officer.

The Resources Protection Management Committee (RPC) is a standing committee of the Board. The RPC reviews safety elements of revised general plans for all counties, and provides recommendation of approval or denial to the board. A position is solely dedicated to staffing the RPC. The board is also requesting for a salary increase for this position and a reclassification from an Associate Government Program Analyst to a Staff Services Manager I.

Staff Recommendation. Hold open.

Issue 4 – Hiring and Training – Permanent Funding and Staffing

Governor’s Proposal. The Governor's budget proposes \$14.2 million (\$10 million General Fund, \$332,000 in Special Funds, and \$3.865 million in reimbursements) and 55 positions to address increased hiring and training demands.

Background. Funding for personnel who are responsible for hiring and training CAL FIRE's firefighting workforce is based on the traditional fire season length. However, climate change, demographics, invasive species, and past fire management are lengthening the fire season in California.

The longer and more active fire season requires that more firefighters be hired and trained as expeditiously as possible. CAL FIRE has requested and received authority over the last several years to augment its firefighting force to deal with the longer and more active fire season. In addition, CAL FIRE has requested and received additional short-term funding to partially address this increased

hiring and training workload. CAL FIRE, however, has not received any additional permanent funding or positions for its hiring and training workload.

Predictably, hiring transactions have increased significantly in recent years. Some of the additional workload is related to additional positions; some related to separations and replacements behind seasonal hires "timing-out" during the longer fire season, and some related to separations and replacements due to attrition. Additionally, each transaction requires significantly more time due to requirements added by control agencies (e.g. extended duty week compensation must now be factored into lump-sum payouts, and there are new processing requirements for health benefits).

The hiring workload is further exacerbated by staffing limitations at CAL FIRE's Academy. The academy has staff to cover training needs for the traditional fire season, which includes mandated basic fire control training for firefighters, engine operators, and dozer operators at a rate of approximately 200 students per year. Staff is also responsible for other mandated training courses for incident command, forest and fire law enforcement, and employee development (Government Code Section 19995.4). The longer fire season, as well as the other factors enumerated above and further in this request, have resulted in an estimated sustained training need for more basic fire control classes than the Academy is funded to provide. Between FY 2012-13 to FY 2016-17, CAL FIRE has and will train up to 800 basic fire control students. This does not include the sustained training needs for the other courses noted above. CAL FIRE has been able to partially meet the increased basic fire control need by sacrificing the provision of the other courses noted above, through the provision of additional drought training funding.

The sustained hiring and training need is, in part, due to CAL FIRE's aging workforce. When analyzing 45 CAL FIRE specific classifications, it was discovered that 19 of the classifications have over 50 percent of the employees over the age of 50. This presents serious issues if a large number of employees were to retire or seek employment around the same time without a plan in place to mitigate impact. Without a workforce and succession plan in place, there are insufficient resources to mentor and cross train employees, which puts CAL FIRE in the position of scrambling to fill vacancies. The analysis also uncovered vacant classifications that do not have a succession plan in place. For example, the Senior Arson and Bomb Investigator and Senior Forestry Equipment Manager both are vacant and do not have current incumbent knowledge to assist with a mentor and/or creating a succession plan.

The capacity limitations have also resulted in an inability to fill positions that require academy training, which has created a backlog in permanent hiring and increased overtime hours at fire stations. In addition to causing significant labor strife and employee complaints, it raises serious fatigue and related safety concerns.

Staff Recommendation. Hold open.

Issue 5 – Real Estate Design and Construction

Governor's Proposal. The Governor's budget proposes \$750,000 General Fund to support a portion of the agency-retained major capital outlay personnel costs (15 positions). These costs will be offset by reductions in the individual project costs.

Background. The Budget Act of 2006 shifted costs for 15 positions from CAL FIRE's state operations appropriation to individual capital outlay project appropriations. These 15 positions primarily support the design, detailing, specification development, contract advertising, contract bid, contract award, and construction oversight of six to eight agency-retained major capital outlay projects per year. Each of the 15 positions has a specific role in carrying out the projects through completion. Retention of the six to eight major capital outlay projects managed by CAL FIRE was intended to increase the rate of replacement of CAL FIRE's aging facilities due to the DGS backlog, inability to complete projects on schedule, increased costs, and incomplete construction closeout at the expense of CAL FIRE. Therefore, retaining a small amount of workload at CAL FIRE would not negatively impact DGS.

The limiting factor of a capital outlay appropriation for these 15 positions meant they could only work on those specific projects, and could not spend a portion of their time on other workload typically performed by these types of CAL FIRE classifications. This includes capital outlay projects that are managed by DGS, or any CAL FIRE minor capital outlay, deferred maintenance, and special repair project work.

The shift from capital outlay to state operations will allow a portion of the 15 CAL FIRE staff to complete workload related to DGS-managed projects, along with CAL FIRE minor capital outlay, deferred maintenance, and special repairs projects. A portion of the 15 staff will also be able to complete associated architectural and engineering workload including: critical analysis; estimating; design; construction inspection; oversight; and code compliance. Having a portion of the 15 staff funded by a state operations appropriation will allow CAL FIRE to more successfully complete the \$8 million in deferred maintenance projects funded from Control Section 6.10 in the Budget Act of 2016, along with minor capital outlay and special repairs.

Staff Recommendation. Approve as budgeted.

Issue 6 – California Underground Facilities Safe Excavation Board

Governor's Proposal. The Governor's budget proposes \$3.8 million from the Safe Energy Infrastructure and Excavation Fund (\$3.6 million ongoing) and 11 positions (growing to 23 positions ongoing) to implement provisions of SB 661 (Hill), Chapter 809, Statutes of 2016.

Background. Prior to the passage of SB 661, the State's "Call Before You Dig" law required excavators, except in the case of an emergency, to contact a regional notification center by placing a call to "811", prior to an excavation in order to ascertain the location of subsurface installations. Excavators were only required to contact the regional notification center if the area was known, or reasonably should be known, to contain subsurface installations. Subsurface utility operators were required to respond to a notification and subsequently mark the location of their subsurface installations.

SB 661 created the California Underground Facilities Safe Excavation Board, which falls under, and is to be assisted by the staff of, the Office of the State Fire Marshal (OSFM). The Board is tasked with:

- Coordinating education and outreach programs.
- Developing standards relevant to safety practices in excavating around subsurface installations, including procedures and guidance.

- Investigating possible violations of the act.
- Following an investigation, enforce the provisions of the act, either by recommending the authority having jurisdiction take action or, where there is no authority having jurisdiction, taking action itself.

The OSFM Pipeline Safety Program is responsible for ensuring that hazardous liquid intrastate pipeline operators properly mark pipelines as part of the state's "Call Before You Dig" law. If there is a failure to properly mark a pipeline, then the OSFM would fine the operator. In practice, the OSFM has not cited a hazardous liquid pipeline operator for not properly marking a pipeline in the last 10 years, as there have been no reported violations.

SB 661 authorizes the operational expenses of the newly created board to be funded by a fee charged to members of the regional notification centers, which by existing statute includes every operator of a subsurface installation, with the exception of the Department of Transportation. Collected fees would be deposited into a fund, which would be created by SB 661. In addition, fines or other penalties levied as a result of a violation of the act would be deposited into the fund and would be prohibited from being used to cover the board's operational expenses. The board would also be required to submit a report to the Governor and the Legislature detailing its activities and recommendations, beginning February 1, 2018, and annually thereafter.

The board is a newly-created entity within CAL FIRE, and CAL FIRE is requesting a separate budget subprogram for the Board. There are four main components required to implement the provisions of the SB 661:

- Executive Officer - this position will report to the board chair, and will be responsible for the operations of the board staff.
- Administrative support for the board - including development of regulations to implement the Dig Safe Act of 2016, development of a public education campaign, and scheduling of board hearings, meetings, and workshops.
- Investigative support for the board - these investigators will, at the direction of the board, conduct investigations into violations of the state's Call Before You Dig law and make recommendations for sanctions for violations of the act.
- Administrative support within CAL FIRE - in the same fashion that CAL FIRE provides support for the Board of Forestry and Fire Protection, CAL FIRE will need to provide accounting, human resources support (exams, recruitment, transactions, etc.), budgeting, and other functions to the newly-created board.

Staff Recommendation. Approve as budgeted.

Issue 7 – CAL FIRE Capital Outlay Proposals
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Governor’s Proposal. The Governor’s budget contains the following seven capital outlay proposals for CAL FIRE:

CAL FIRE Capital Outlay Proposals	
1. Shasta Trinity Unit Headquarters and Northern Operations – Relocated Facilities	\$365,000 General Fund for the acquisition phase of this project to construct a new joint facility to co-locate the Shasta-Trinity Unit Headquarters and several Northern Region Operations - Redding facilities. The estimated total project cost is \$65.5 million.
2. Temecula Fire Station – Relocated Facility	\$1.1 million General Fund for the acquisition phase to replace the Temecula Fire Station. The estimated total project cost is \$9.4 million.
3. Macdoel Fire Station – Relocate Facility	\$500,000 General Fund for the acquisition phase to replace the Macdoel Fire Station in Siskiyou County. The estimated total cost of the proposed project is \$9.9 million.
4. Badger Fire Station – Replace Facility	\$4.2 million lease revenue bond funds to complete the construction phase of the Badger Forest Fire Station in Tulare County. Total estimated project costs are \$9.6 million.
5. Statewide: Replace Communications Facilities, Phase V	\$1.8 million General Fund for the working drawing phase of this project to replace existing telecommunications infrastructure at six communications sites with new telecommunications towers, vaults, and other supporting infrastructure as required and add an additional tower at a seventh site. Total estimated project costs are \$22.98 million.
6. Potrero Forest Fire Station – Replace Facility	\$865,000 General Fund for the preliminary plans phase of this project. Total estimated project costs are \$12.8 million.
7. Various Minor Projects	\$2.4 million General Fund to perform three minor capital outlay projects.

Background. Following are descriptions of these projects:

1. **Shasta Trinity Unit (SHU) Headquarters and Northern Operations – Relocated Facilities.**
This consolidation project includes:
 - **Shasta Trinity Headquarters.** The existing facility is located on a 3.88-acre state-owned parcel in downtown Redding. When the facility was constructed around 1940, the facility was located on the fringes of the Redding city limits. Today, Redding is the largest city

north of Sacramento and the city limits are several miles in all directions from the facility, placing the facility at the center of the city. This requires personnel to negotiate fire apparatus through narrow and congested city streets to conduct daily and emergency activities, extending response time and increasing the potential for vehicle accidents.

The city owns all the property surrounding the existing facility. In 2015, the City of Redding completed construction of the new Redding Police Department Headquarters directly adjacent to SHU Headquarters on the east property line and in 2009 completed construction of a new library adjacent to the western property line. In addition, in 1999, the city constructed a new city hall adjacent to the eastern property line. Construction of the city hall and police headquarters restricted access to the facility from the main thorough fare; Cypress Avenue, and required access to and from the facility via a side street, Grape Street. This dramatically handicaps the movement of fire apparatus and equipment to and from the facility. The unit's all-risk emergency operations mission is in direct conflict with Redding's General Plan.

The buildings built around 1940 are deteriorated, inefficient, and significantly inadequate for the critical mission of the Unit. Over the years, numerous additions and remodeling projects have been implemented to keep pace with CAL FIRE's evolving mission; however, the facility does not meet the needs of the Unit. Many of the old buildings are non-insulated metal structures that do not meet current building codes and do not provide proper restroom facilities for personnel.

Electrical, sewer, water, heating, and cooling systems are antiquated and failing. Due to the increased power usage from electronic equipment such as radios, computers, copiers, and printers, the electrical load at the facility is at full capacity and repairs are constant. Sewer systems back up regularly due to inadequate sewer capacity, and the public and compound parking areas flood during rainstorm events due to inadequate storm drain capacity. Due to their age, the domestic water delivery pipes are brittle and break often and when this occurs the entire water supply to the facility must be shut off while repairs are made. The cooling and heating systems are inefficient, antiquated and costly to operate.

The facility is not ADA compliant. Ramps and a bell have been installed at the main public entrance to assist persons with disabilities. The bell alerts staff that a handicapped person needs assistance entering the buildings. There are no ADA-compliant restrooms.

- **The Northern Region Operations-Redding (NOPS).** NOPS site is owned by the United States Forest Service (USFS). Built in 1982, the facility was originally the Region II, Sierra Cascade Region Headquarters. Although a joint facility, CAL FIRE occupies approximately 75 percent of the administration building, with the US Forest Service occupying the rest of the building. Due to its age the facility needs significant repairs to provide for health and safety requirements of employees. Currently, the heating and cooling system needs replacement. The HVAC system was not modified with various remodeling of the interior of the building. As a result, differential heating and cooling occurs throughout the building and it is impossible to establish uniform temperatures in all the offices. Offices are either very cold or warm impacting employee health. CAL FIRE funds and provides for repairs to the facility and a new heating and cooling system is more than \$1 million (for CAL FIRE side only, the cost is estimated to be \$600,000).

Since 1982, CAL FIRE programs housed at NOPS have greatly expanded. The Resource Management Program; including Forest Practice, State Forest, SRA Fire Prevention Fee, Land Use and Planning and Pre-Fire Engineering are new programs. These programs and Cost Recovery have all added personnel which require office space and parking for both state and personally owned vehicles at NOPS.

- **The Northern Region Training Program (NRTP).** The NRTP is responsible for in-service training of uniformed personnel of the California Department of Forestry and Fire Protection. All CAL FIRE fire apparatus engineers must go through training administered and coordinated by the Joint Apprentice Committee (JAC) before becoming fire captains. There is no northern region training facility capable of meeting the assessed need for coordinating, scheduling, sponsoring, or presenting thousands of annual student days of mandated training for fire protection all departmental programs and functions necessary for CAL FIRE to comply with the mission statement and strategic objectives.

The scope of work will include design and construction of a six bay auto shop, covered vehicle wash rack, emergency command center, flammables storage building, fuel vault cover, service center warehouse, administration building, vehicle equipment wash rack building, weapons ammunition storage building, 48 bed dormitory, training center, 120 foot communication tower, and emergency generator/pump/storage building. Other work will include site development, asphalt paving, curbs, sidewalks, utilities, fire suppression system, fire hose wash rack with drying slab, self-contained breathing apparatus refill station, solar power, a security system with cameras and security fencing.

2. **Temecula Fire Station – Relocated Facility.** The Temecula Fire Station is a two-engine fire station in Temecula; Built in 1948, the facility was modified to meet the changing needs of the fire station. However, many of the structures are no longer compliant with building codes. The existing barracks and mess hall facilities no longer meet the requirements of Health and Safety Code; Section 16001, for an essential services facility. The structures do not meet seismic standards. In addition, the size of the existing parcel, 1.77 acres, is not large enough upon which to build a standard two-engine fire station. Typically, a minimum of five acres of land is required.

The proposed project will include the design and construction of a standard two-engine fire station, flammables storage building, generator/pump/storage building.

3. **Macdoel Fire Station – Relocate Facility.** The Macdoel Fire Station is a single-engine station located on 3.83 acres in Macdoel in Siskiyou County. The Butte Valley Irrigation District owns the site and the state leased it for 50 years. The lease expired on January 31, 2007 and tenancy is now on a month-to-month basis. The district does not want to sell the property to the state.

The scope of work includes acquiring a suitable parcel upon which to construct a 12-bed barracks/ messhall, three-bay apparatus building, flammable storage building, generator/pump building, wash rack canopy, fueling canopy. Site development includes demolition, earthwork, drainage, roads, curbs and paving, gutters and walks, fuel island (includes vault), site lighting, vehicle wash rack, hose wash rack, fencing, landscaping.

4. **Badger Fire Station – Replace Facility.** The Badger Forest Fire Station, built in 1946, is a one-engine facility located on 7.34 acres of state-owned property in Northern Tulare County, near the Sequoia and Kings Canyon National Parks. The year-round station provides initial wildland fire protection to approximately 120,000 acres of State Responsibility Area. The Legislature approved funding to replace the 67-year-old fire station because of its deteriorated condition and poor design.

The existing design and construction phases for this project were appropriated in 2006-07 and 2014-2015; however, due to unanticipated project delays associated with budgetary funding constraints and increased construction costs in the region, the approved scope of the project cannot be completed within the existing appropriations. The project was bid in March 2016, but the lowest bid was 56 percent over the original estimate. As a result, the department must pursue additional funds for the project and rebid in August 2017.

5. **Statewide: Replace Communications Facilities, Phase V.** CAL FIRE operates and manages communications equipment at 192 telecommunications sites throughout the state. CAL FIRE mountaintop communications facilities are remote facilities that essentially consist of a telecommunications tower and a securable radio communications building (vault) that is environmentally controlled to house sensitive radio transmission equipment. These facilities also include back-up electric generators that enable the sites to remain operational during power outages. Depending on site limitations, these generators are housed either within the vault, in a separate room, or in a stand-alone securable building. Where electrical power is not available at the site, facilities are powered by diesel/propane generators or solar panels for primary power.

CAL FIRE is a member of the Public Safety Radio Strategic Planning Committee, established by the Legislature in December 1994. The committee has primary responsibility for developing and implementing a statewide integrated public safety communication system that facilitates interoperability among state agencies and coordinates other shared uses of the public safety spectrum, consistent with decisions and regulations of the Federal Communications Commission.

CAL FIRE'S telecommunications sites provide the essential emergency communications linkage for CAL FIRE's fire protection and emergency response command and control throughout the state. In addition, these facilities are essential components of California's PSMN that transmits 911 calls and emergency instructions during major public safety incidents, including floods, firestorms and other natural disasters. Many of the CAL FIRE-managed mountaintop sites are also utilized and relied upon by other public safety agencies for their telecommunications needs.

Because CAL FIRE operates and manages the majority of state-owned communications facilities in the state, CAL FIRE developed a Tower and Vault Master Plan (T&V Plan) dated December 18, 1995, which was adopted as part of the conversion plan. The T&V Plan was last updated March 22, 1998. The T&V Plan was developed to ensure continued reliability of the towers and vaults, which serve as critical structures in the department's public safety radio system and it also enables compatibility with the requirements of the PSMN. Public safety radio systems serve as critical links for fire and other public safety personnel throughout the state serving to protect the lives and property of the citizens of California.

CAL FIRE T&V Plan: Six facility replacements and the addition of a tower at an existing facility represent the Phase V highest priority projects identified in the 1998 update to the T&V Plan:

1. Chalk Mountain Communications Facility - Replace Facility
2. Sierra Vista Communications Facility - Replace Facility
3. Mount Oso Communications Facility - Replace Facility
4. Bunchgrass Communications Facility - Replace Facility
5. Mount Pierce Communications Facility - Replace Facility
6. Pratt Mountain Communications Facility - Replace Facility
7. Banner Mountain Communications Facility - Construct Additional Tower

New facilities are built to meet essential services seismic standards, withstand 100 mph winds and have 25-year serviceable life spans. Towers are self-supporting, four-legged lattice structures with upper monopoles and with safety ladders, platforms and lightning arrestors. Radio equipment vaults are concrete construction. The scope of work includes installation of new emergency backup generators, fuel systems, multi-purpose alarms, heating, venting and cooling systems and VHF and microwave communication equipment complete with all necessary accessories. Site work includes demolition of existing structures, extension of utilities, road and site paving and security fencing as site needs dictate.

6. **Potrero Forest Fire Station Replacement.** Acquisition funding was provided in 2016-17 to replace and relocate the Potrero Forest Fire Station and construct a standard two-engine fire station consisting of a 14-bed barracks/messhall, three-bay apparatus building, and a generator/pump storage building with generator. This project also includes a fuel dispensing system and fuel vault, vehicle wash rack, hose wash rack and flammable storage building. Site work includes clearing, grading, drainage, paving, walkways, curbs, well drilling and domestic water system with tank storage, septic system, electrical, telephone, irrigation, lighting, fencing, landscaping, solar power and all utilities. Site work also includes demolition and hazmat abatement of existing site.

Among other issues, the current buildings were constructed with un-reinforced concrete block and wood frame. The blocks are separating from each other, and the walls could fall in the event of an earthquake. They are substandard according to Seismic Safety Codes and Uniform Building Code, Chapter 21. The foundation of the station is also made of un-reinforced rock and concrete, and does not meet the standards of Section 1809 of the Uniform Building Code. Since the building was constructed prior to the ADA regulations, it is substandard in virtually all ADA and Title 24 regulations. Many doorways are less than 32 inches wide; there are no disabled accessible walks or sidewalks; public access is over rock curbs, rock landings, and rock steps, and public parking is at a distance across deteriorating asphalt with an uneven and cumbersome footing. In addition, because of the stations age, floor tiles and possibly other construction materials included asbestos.

The original scope of work did not include an acquisition phase as the existing site was going to be used for the replacement of the facility. However, in the process of completing the due diligence, the conducted hydrologic-hydraulic study identified the site as a flood hazard zone. The existing site could potentially be approved by the Federal Emergency Management Agency if the site were built up with fill to elevate the structures out of the floodplain. However, this process is very lengthy and would be more costly than acquiring another property.

7. Various Minor Projects

Proposed project 1: Connect a domestic water line to the Occidental Fire Station by installing approximately 2,800 feet of water pipe, two fire hydrants, plumbing upgrades, a water service meter, and paving.

The Occidental Fire Station in Sonoma County does not have an on-site source of water. When originally built, water for the facility was purchased from a well on one neighbor's property and pumped to a storage tank on another neighbor's property and then gravity fed back to the facility. In 2002, after several years of diminished flows from the primary well on the neighbor's property, the landowner was unwilling to continue selling water to the fire station. An attempt to establish an on-site well was unsuccessful. Since then, the station has purchased potable water delivered by truck. During peak staffing (May through November), CAL FIRE pays a minimum of about \$300 per week for delivered potable water; and during non-peak staffing, \$150 per week. This amounts to over \$12,000 annually in support funding just for the purchase of potable water.

Proposed project 2: Replace the old warehouse at the Davis Mobile Equipment Facility constructing by constructing two metal storage buildings to house 12 fire engines.

The Davis Mobile Equipment Facility is the central equipment managing and handling point for the entire statewide fleet of CAL FIRE vehicles and motorized equipment. Currently, there are over 2,800 CAL FIRE mobile equipment units in operation in the statewide fleet. The facility processes approximately 200 new vehicles annually, as well as over 200 turn-in vehicles for reutilization or disposal. The facility services and maintains 60 headquarters vehicles on a continuing basis. The fire engines are stored outside. Since the facility is open to the public, detachable items such as hoses and tools are stored inside a warehouse that is onsite. Storage space in this warehouse is no longer sufficient.

Proposed project 3: Upgrade existing, and construct new apparatus, bays at various facilities to accommodate the Model 34 fire engines. Improvements include all associated site work and appurtenances.

Many fire stations and facilities were constructed more than 50 years ago and were designed for smaller wildland fire engines. Over time, fire apparatus size has progressively increased. The latest equipment being delivered to CAL FIRE is the Model 34. Many front-line fire apparatus cannot safely enter, or in numerous cases cannot physically fit inside, the buildings. To date the newer, larger equipment is rotated and relocated to sites where the increased sizes can be accommodated. As more new equipment is delivered for service, there is also an increase in operationally deficient stations.

Staff Recommendation. Approve as budgeted.