



Trinity River Restoration Program

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NC-150

MEMORANDUM

TO: TMC, TAMWG

FROM: Doug Schleusner, Executive Director

CC: TMC Alternates, SAB, Staff

DATE: September 7, 2006

SUBJECT: Revised FY 2007 Budget Proposal to be presented September 12 and 20, 2006

At our last B-Team meeting on August 17, 2006, this office presented an updated budget proposal for FY2007 that reflected new information about possible increases to the Energy and Water appropriation bill above the President's Budget (up to \$2 million), and recommended an allocation for half that amount. There was a wide-ranging discussion of the updated proposal, and I am enclosing a "Q&A" paper that summarizes the main points raised and offers brief explanations or clarifications.

One key concern expressed by several of the TMC principals in attendance had to do with the wisdom of including any portion of the Senate's add-on in the estimate of available funds for an approved budget. They specifically suggested that we present several different increments, starting with the President's Budget level, to minimize the chance that we would have to reconvene the TMC or schedule a follow up conference call to deal with any changes. As a result, the current proposal now includes three levels: President's Budget (PB), PB + \$1 million, and PB + \$2 million. Estimates for the Full ROD Program in FY2007 and FY2008 have also been updated.

Based on recent discussions (August 31) of the informal TMC Budget Subcommittee, we are also restructuring the way in which we represent the U.S. Fish and Wildlife Service (Service) portion of funding. After consulting with Mike Long, instead of referring to FY2006 Service funding as "carryover" and implying that the Program is receiving more than it really is, we are now identifying what portion of each year's funding is actually available for obligation within in a given fiscal year. Given the timing of the Service's allocation process (June-July), and

Reclamation's emphasis on earlier submittals of purchase requests for contracts, grants, and agreements (March-April), it now appears likely that a sizable portion of the Service's funding will have to be used in the following fiscal year.

The revised planning total for available funds in FY2007 at the President's Budget level is now shown as follows:

Reclamation (TRRP, A30)	\$7.0 million
CVPIA Restoration Fund (H37)	.0
U.S. Fish and Wildlife Service (FY06)	1.1
U.S. Fish and Wildlife Service (FY07)	0.4
<u>DFG/EPA Grants</u>	<u>0.7</u>
Total	\$9.2 million

A second level is proposed in the attached spreadsheet that assumes we receive half of the Senate's proposed add-on for a total of \$10.2 million, and a third level has been developed for the Senate's full amount for a total of \$11.2 million.

One other accounting adjustment involves the Browns Mountain road and culvert repair. At the June 19 TMC meeting and the August 17 B-Team meeting we displayed the estimate of available funds and cost for that project in the FY2007 spreadsheet. It now appears that this "in and out" accounting item has caused undue confusion, and since it is being funded by Reclamation with non-TRRP dollars, we are deleting it from the spreadsheet.

It has been a real challenge in past years to approve even one column of numbers, and now we're asking for approval of three options that could be implemented depending on the amount of final appropriations. If we view these proposals as "planning budgets" that express general themes or areas of emphasis for the FY2007 program of work, and not become entangled in overly-detailed line-by-line discussions, I believe it is possible to approve a budget for all three levels. I strongly encourage you to review this spreadsheet, the Q&A paper, and previous background papers provided earlier this year before the TAMWG and TMC meetings.

Please call me or members of my staff if you have questions. Thank you for your contributions to this process.