

A detailed cost estimate to implement BDCP is described in Chapter 8, *Implementation Costs and Funding Sources*. The cost of implementing the Plan during the 50-year permit term is estimated at an average of approximately \$1.62 billion annually in capital costs in years 1 through 10 of the permit term, \$124.8 million annually in years 11 through 15, and \$86.5 million annually in years 16 through 50 (all in undiscounted 2012 dollars). Annual operating costs are estimated at \$57.5 million, \$97.9 million, and \$109.6 million annually during years 1 to 10, 11 to 15, and 16 to 50, respectively. These estimates include the costs of conservation measures (water facilities construction and operations, natural community restoration and protection, reduction of other stressors), monitoring and adaptive management, changed circumstances, and program administration. *CM1 Water Facilities and Operation* accounts for the majority of Plan costs (\$16.03 billion, or 65% of total costs) followed by *CM4 Tidal Natural Community Restoration* (\$1.91 billion, or 8% of total costs) and *CM16 Nonphysical Fish Barriers* (\$1.27 billion, or 5% of costs). The charts on the following pages depict estimated capital and operational costs over the permit term in 5-year increments.

Funding sources include state and federal water contractors, the State of California, and the United States. The Delta is an ecosystem of national significance. Consistent with the beneficiary pays principle and in recognition of public benefits associated with environmental restoration of this important region, it is assumed that a state and federal investment will be available and necessary to implement the BDCP, as described in Chapter 8, Section 8.3, *Funding Sources*. This public contribution is further justified by the fact that there are stressors contributing to the decline of the Delta ecosystem and dependent species that are not directly related to operations of the State Water Project or Central Valley Project. Public funding for programs of this nature is consistent with other multispecies habitat conservation plans and restoration efforts that involve large aquatic ecosystems of national significance such as the Lower Colorado River, Platte River, Chesapeake Bay, Great Lakes, and Florida Everglades. Many of these large-scale restoration efforts share similar goals of the BDCP to increase water supply reliability and to restore ecosystem function and endangered species populations.

The detailed cost estimates were used to establish the funding requirements for Plan implementation over

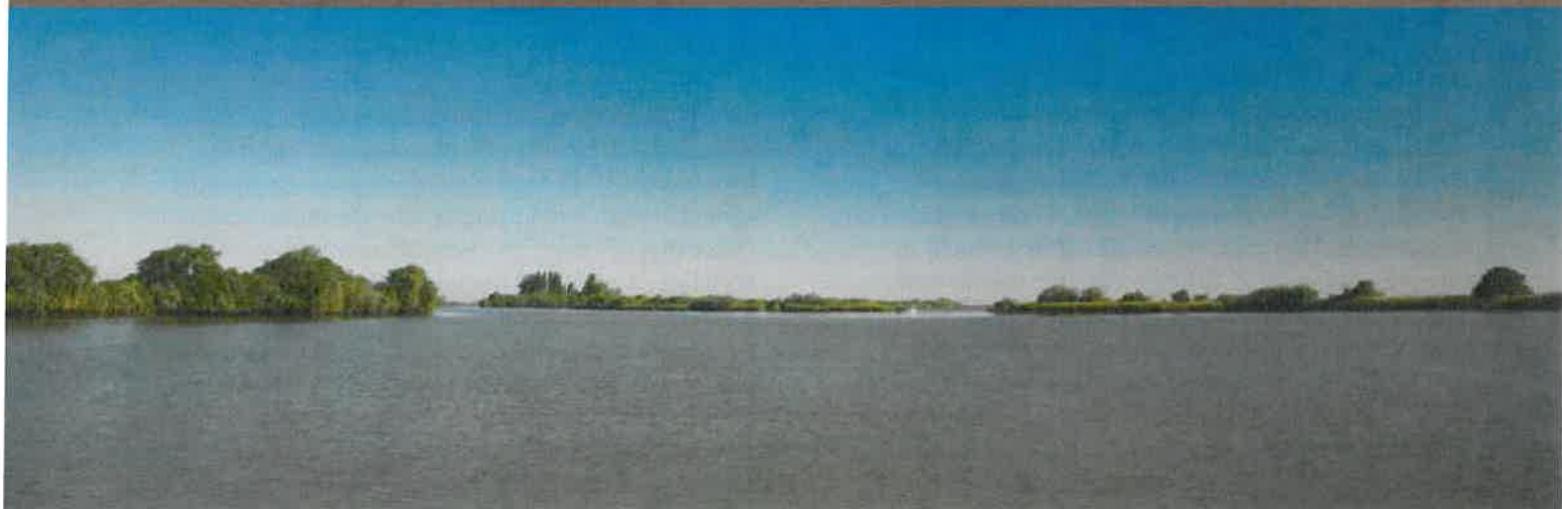
the course of a 50-year term and beyond the permit term. These estimates were planning level estimates used to predict the total costs of the program. Specific annual budgets will be prepared by the Implementation Office that will more precisely estimate year-to-year spending. A variety of funding sources—local, state, and federal— will be used to fund the Plan and meet habitat conservation plan and natural community conservation plan requirements (see table at right). For details, see Chapter 8, *Implementation Costs and Funding Sources*. Funding will be provided by the state and federal water contractors for the construction and operation of the new water facilities, as well as for mitigation necessary to address impacts on terrestrial and aquatic impacts associated with construction and operation. Funding from a variety of state and federal sources will be available for the remainder of the actions in the conservation strategy. Initial state funding will largely come from two new water bonds, the first proposed for the 2014 statewide ballot. Federal funding is expected to come mostly from the same sources and authorizations used in the past to support Delta restoration efforts. New federal funding authorizations will also likely be needed to support the BDCP.

Cost and Funding Regulatory Requirements

The federal Endangered Species Act requires that habitat conservation plans specify that the applicant “ensure that adequate funding will be provided” to implement conservation actions that minimize and mitigate effects on covered species (USC 1539(a)(2)(A)).

The Natural Community Conservation Planning Act requires that natural community conservation plans contain “provisions that ensure adequate funding to carry out the conservation actions identified in the Plan” ((Fish & Game Code 2820(a)(10)).

The BDCP is designed to mitigate for the effects of the activities proposed in the Plan, contribute to the recovery of threatened and endangered species, help prevent species from becoming threatened or endangered, and improve ecosystem health. To achieve these important goals, the Plan will be funded by the Authorized Entities as well as the public at large through state and federal agencies and other public funding sources.

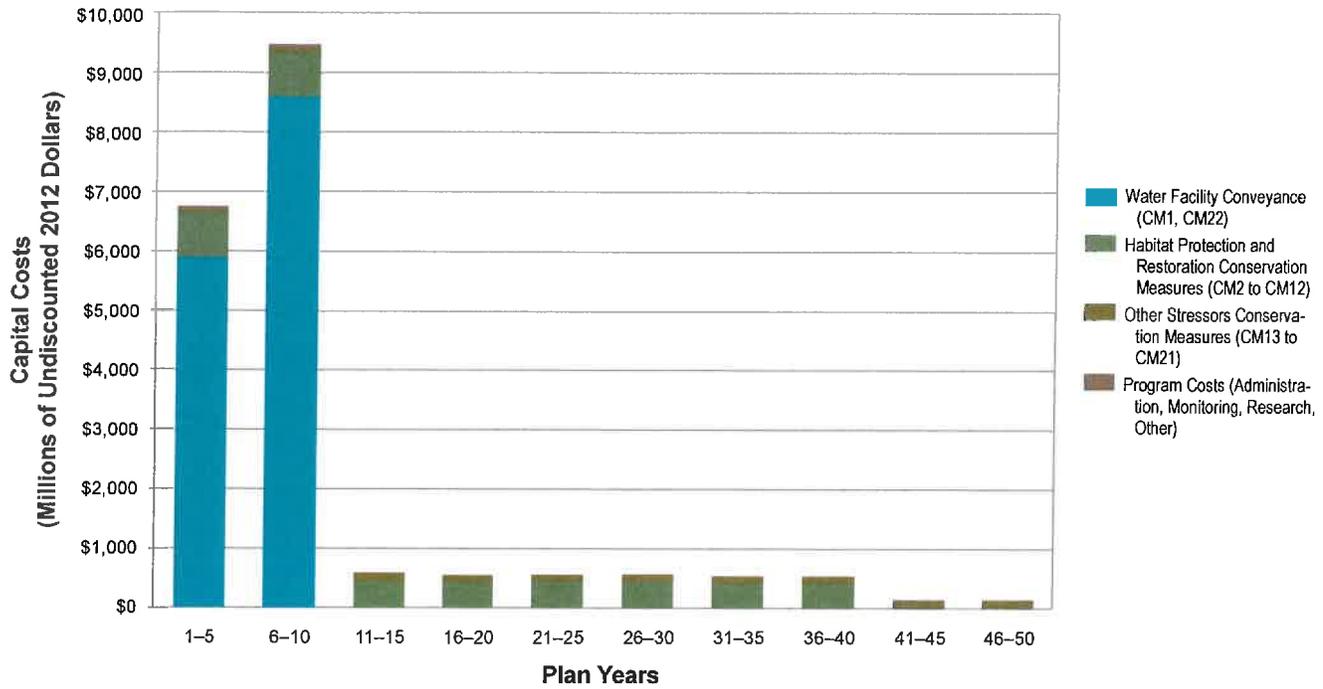


Funding Sources

<p>Participating State and Federal Water Contractors</p>	<p>Federal Funding Sources</p>
<p>State Funding Sources</p> <ul style="list-style-type: none"> • New Water Bond (2014) • Second Water Bond • Proposition 1E • Proposition 84 • Wildlife Conservation Board • Interagency Ecological Program (state funding) • Delta Stewardship Council • Ecosystem Restoration Program • Environmental Enhancement Fund • Fisheries Restoration Grant Program 	<p>Existing and New Federal Authorizations</p> <ul style="list-style-type: none"> • Central Valley Project Improvement Act Restoration Fund (Reclamation) • CA Bay-Delta Restoration Appropriations (Reclamation) • CA Bay-Delta Restoration Appropriations (US Fish and Wildlife Service) • CA Bay-Delta Restoration Fund (Environmental Protection Agency) • CA Bay-Delta Restoration Appropriations (US Geological Society) • CA Bay-Delta Restoration Appropriations (Natural Resources Conservation Service) • CA Bay-Delta Restoration Appropriations (National Marine Fisheries Service) • Regional Ecosystem Conservation (National Marine Fisheries Service) • Estuary Restoration Act (National Marine Fisheries Service)
<p>Other Funding Sources</p> <ul style="list-style-type: none"> • Interest income 	<p>Existing Federal Grants</p> <ul style="list-style-type: none"> • Wetlands Reserve Program (Natural Resources Conservation Service) • Cooperative Endangered Species Conservation Fund (US Fish and Wildlife Service) • Environmental Quality Incentives Program (Natural Resources Conservation Service) • Land and Water Conservation Fund • National Coastal Wetlands conservation grants (US Fish and Wildlife Service) • Restoration Partnership Grants (National Marine Fisheries Service) • San Francisco Bay Area Water Quality Improvement Fund (Environmental Protection Agency)

COST AND FUNDING

Estimated Capital Costs in 5-Year Increments



Estimated Operational Costs in 5-Year Increments

