



APR 01 2010

Honorable Denise Moreno Ducheny, Chair  
Senate Budget and Fiscal Review Committee

Attention: Ms. Keely Bosler, Staff Director (2)

Honorable Bob Blumenfield, Chair  
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to Budget Bill Items 3940-001-0001, 3940-001-0225, and 3940-001-0439,  
Support, State Water Resources Control Board**

**Pacific Lumber Company Litigation Defense**

It is requested that Item 3940-001-0001 be increased by \$2,676,000 and that Item 3940-001-0439 be amended to reflect this change to provide funding to defend the State of California from a lawsuit filed by the Pacific Lumber Company. The defense costs for this ongoing litigation have increased as the case has entered active discovery and will be set for trial soon.

**Aboveground Petroleum Storage Act Oversight**

It is requested that Item 3940-001-0225 be added in the amount of \$577,000 and that Item 3940-001-0439 be amended to reflect this change to provide funding to the Certified Unified Program Agencies (CUPAs). The appropriation is consistent with the provisions of Chapter 626, Statutes of 2007 (AB 1130). AB 1130 transferred the administration of the Aboveground Storage Tank Inspection Program from the State Water Resources Control Board (Water Board) to the CUPAs and allocated the balance of the Environmental Protection Trust Fund (EPTF) for program implementation. The Water Board has allocated \$7.5 million EPTF to the CUPAs, but there is a fund balance of \$577,000 due to additional earned interest.

**Administration Water Rights Enforcement**

It is requested that Item 3940-001-0439 be amended to increase the appropriation for 30.01 Administration by \$173,000 and decrease the appropriation for 30.02 Distributed Administration by \$173,000. Chapter 2, Statutes of 2009, Seventh Extraordinary Session (SB X7 8) appropriated funds and positions to the Water Board for Water Rights enforcement and increased the allocation for Administration. The proposed Governor's Budget submitted on January 8, 2010, did not correctly reflect the bill's impact to the Water Board's Administration budget. These technical adjustments do not result in a change in the total appropriation for Item 3940-001-0439.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Ken DaRosa, Principal Program Budget Analyst, at (916) 324-0043.

ANA J. MATOSANTOS

Director

By:

/s/ Todd Jerue

TODD JERUE

Chief Deputy Director

Attachment

cc: Honorable Christine Kehoe, Chair, Senate Appropriations Committee  
Attention: Mr. Bob Franzoia, Staff Director  
Honorable Bob Dutton, Vice Chair, Senate Budget and Fiscal Review Committee  
Attention: Mr. Seren Taylor, Staff Director  
Honorable Felipe Fuentes, Chair, Assembly Appropriations Committee  
Attention: Mr. Geoff Long, Chief Consultant  
Honorable Jim Nielsen, Vice Chair, Assembly Budget Committee  
Attention: Mr. Peter Schaafsma, Staff Director  
Honorable Joe Simitian, Chair, Senate Budget and Fiscal Review Subcommittee No. 2  
Honorable Ira Ruskin, Chair, Assembly Budget Subcommittee No. 3  
Mr. Mac Taylor, Legislative Analyst (4)  
Mr. Craig Cornett, Senate President pro Tempore's Office (2)  
Mr. Christopher W. Woods, Assembly Speaker's Office (2)  
Ms. Christine Robertson, Chief of Staff, Assembly Republican Leader's Office  
Mr. Tom Howard, Chief Deputy Director, Water Resources Control Board  
Mr. Esteban Almanza, Deputy Director of Administration, Water Resources Control Board  
Mr. Bill Damian, Budget Officer, Water Resources Control Board