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Agenda Item: 3
Meeting Date: February 11, 2004

**Annual Joint California Bay-Delta Authority
and Bay-Delta Public Advisory Committee Meeting**

Thursday, December 11, 2003
Sheraton Grand Hotel
Sacramento, California

MEETING SUMMARY

Note: Copies of the motions and resolutions mentioned in this summary can be found on the California Bay-Delta Authority website at: <http://calwater.ca.gov>. If you have any questions, please contact Heidi Rooks at (916) 445-0533.

1. CALL TO ORDER / INTRODUCTORY REMARKS

The meeting was called to order at 9:15 a.m. by the Acting Chair of the Authority, Mike Chrisman, Secretary of the California Resources Agency, who then turned the Chair over to Gary Hunt, Chair of the Bay-Delta Public Advisory Committee (BDPAC) and BDPAC Representative on the Authority.

2. ROLL CALL / ESTABLISHMENT OF QUORUMS

Roll call was taken, and a quorum was established for both the Authority and BDPAC.

The following Authority members were present for the meeting:

Public – Jim Costa, San Joaquin Valley Region; Paula Daniels, Southern California Region; Patrick Johnston, San Joaquin River Delta Region; Alfred Montna, Sacramento Valley Region; Susan Kennedy, San Francisco Bay Region; and Daniel Wheeler and Marc Holmes, Members-At-Large

Bay-Delta Public Advisory Committee Representative – Gary Hunt

State – Mike Chrisman, Secretary of the California Resources Agency; A.G. Kawamura, Secretary of the Department of Food and Agriculture; Terry Tamminen, Secretary of the California Environmental Protection Agency; Linda Adams, Interim Director of Water Resources; Diana Jacobs, Designee for Sonke Mastrup, Acting Director of Fish and Game; and Dave Spath, Designee for Diana Bontá, Director of Health Services

Federal – Jason Peltier, Deputy Assistant Secretary for Water and Science, Department of the Interior; Kirk Rodgers, Regional Director, Mid-Pacific Region, Bureau of Reclamation; Tim Price, Assistant to Acting Regional Administrator, Southwest Region, National Marine Fisheries Service; Mark Charlton, Sacramento District Deputy District Engineer for Project Management, Army Corps of Engineers; Karen Schwinn, Associate Director, Water Management Division of the Environmental Protection Agency; and Wayne White, Field Supervisor, Fish and Wildlife Service

Ex-Officio – The Honorable Michael Machado, Chair of the Senate Agriculture and Water Resources Committee and Kathy Mannion for the Honorable Joseph Canciamilla, Chair of the Assembly Water, Parks and Wildlife Committee

The following Authority Members were absent:

Ex-Officio – The Honorable Rick Keene, Vice-Chair of the Assembly Water, Parks and Wildlife Committee and the Honorable Charles Poochigian, Vice Chair of the Senate Agriculture and Water Resources Committee

The following Bay-Delta Public Advisory Committee Members were present:

Ryan Broddrick, Director Conservation Programs, Ducks Unlimited;
Denny Bungarz, Supervisor, District 4, Glenn County; Christopher Cabaldon, Council Member, City of West Sacramento; Tom Clark, General Manager, Kern County Water Agency; Marci Coglianese, Mayor, City of Rio Vista; Martha Davis, Strategic Policy Director, Inland Empire Utilities Agency; Greg Gartrell, Assistant General Manager, Contra Costa Water District; Joe Grindstaff, General Manager, Santa Ana Watershed Project Authority; Steve Hall, Executive Director, Association of California Water Agencies; Leslie Lohse, Tribal Council Treasurer, Paskenta Band of Nomlaki Indians; Robert Meacher, President, Regional Council of Rural Counties; Barry Nelson, Senior Policy Analyst, Natural Resources Defense Council; Dan Nelson, Executive Director, San Luis and Delta-Mendota Water Authority; Bill Pauli, President, California Farm Bureau Federation; Tim Quinn, Vice President, State Water Project Resources, Metropolitan Water District; Mike Rippey, Supervisor, District 5, Napa County; Mike Schaver, Tribal Environmental Coordinator, Big Valley Rancheria; Frances Spivy-Weber, Executive Director, Mono Lake Committee; O. L. "Van" Tenney, General Manager, Glenn-Colusa Irrigation District; Marguerite Young, Senior Policy Advisor, Clean Water Action/Clean Water Fund; and Tom Zuckerman, Co-Council, Central Delta Water Agency

The following BDPAC Members were absent:

George Fraser, General Manager, Northern California Power Agency;
Martha Guzman, Legislative Analyst, United Farm Workers of America, AFL-CIO;
Jerry Meral, President, Planning and Conservation League Foundation;
Pietro Parravano, President, Pacific Coast Federal of Fishermen's Association; and
Maureen Stapleton, General Manager, San Diego County Water Authority

3. DIRECTOR'S REPORT

Authority Director Patrick Wright reviewed the topics to be discussed during the meeting. Jason Peltier, Department of Interior, asked for more flexibility in scheduling Authority meetings.

4. ADMINISTRATIVE ITEMS

Two administrative items were for Authority action only.

Resolution 03-12-01 (Adopting a Conflict of Interest Code).

Authority Chief Counsel Chris Stevens presented the Conflict of Interest Code staff report and resolution, which, with minimal discussion, the Authority unanimously approved by a 12-0 vote. Jason Peltier indicated that it is the opinion of the Federal members that State conflict of interest laws do not apply to their activities on the Authority, but that they do operate by Federal rules.

Meeting Summaries

The meeting summaries from the August 11 and October 9, 2003 Authority meetings were approved by a 12-0 vote. A request was made to include more detail in future summaries.

5. DELTA IMPROVEMENTS PANEL DISCUSSION

Director Patrick Wright introduced the topic and panel members. He also stated that Resolution 03-12-02 (Consideration of a Resolution Recommending that the Agencies Proceed to Develop a Coordinated Set of Activities to Improve Water Supply Reliability, Ecosystem Health, and Water Quality in the Delta, and Directing Authority Staff to Assist in this Effort) was pulled from the agenda.

Senator Machado, *ex-officio* Authority member, prefaced the panel discussion by taking note of several issues: 1) balance; 2) whether adjustments to milestones would be necessary given the current and projected levels of funding and staffing; and 3) the importance of transparency, credibility and balance in the CALFED Program. He also questioned the panel as to whether efforts to improve water

quality in the Delta would precede the South Delta Improvements Package or whether they were to be included in the Package.

The panel discussion proceeded as follows:

- Susan Ramos, Assistant Regional Director, Mid Pacific Region, Bureau of Reclamation (USBR) and Tom Glover, Deputy Director, Department of Water Resources (DWR), discussed the components of the Delta Improvements Package including USBR Operations Criteria and Plan, South Delta Improvement Project, overview of the Environmental Water Account (EWA), and the schedule for implementation;
- Ron Ott, Authority Delta Regional Coordinator, presented water quality research projects in the Delta, and Tom Howard, Deputy Director, State Water Resources Control Board (SWRCB), presented SWRCB key water quality issues and regulatory requirements;
- Diana Jacobs, Department of Fish and Game, discussed the regulatory aspects of environmental protection, and Jerry Johns, DWR, presented the status of the EWA; and
- Dr. Wim Kimmerer, EWA Science Advisor and Senior Research Scientist with the Romberg Tiburon Center for Environmental Studies, presented scientific investigations in the Delta and the integration of science into management decisions.

Chair Gary Hunt asked for a review of the draft South Delta Improvements Program schedule and Environmental Impact Report/Statement at the February 2004 Authority meeting. He noted that Delta water quality concerns were a major issue, as was the question of when they will be addressed in the process. He also asked that the draft environmental documents be presented for discussion and comment at the March 2004 BDPAC meeting.

Jason Peltier asked that a detailed presentation on the EWA Panel Report be provided at the February 2004 Authority meeting. The report had just recently been released and there was not time to discuss it at this meeting.

BDPAC and Authority members mentioned the ongoing negotiations between the water exporters and the Delta stakeholders regarding water quality issues and indicated their general support for the process.

Questions also arose as to the how the Napa Proposal would affect the various aspects of Central Valley Project operations. Susan Ramos responded that operations modeling would provide answers to the questions.

Marguerite Young, BDPAC member, asked that information from the discussions on water operations and Delta improvements be aired in the Drinking Water and other BDPAC subcommittees.

Greg Gartrell, BDPAC member, noted that results of the assessment of the CALSIM II model should be reviewed at the Water Supply Subcommittee meeting.

Members of the public then spoke on this agenda item:

- Christina Swanson, The Bay Institute, voiced concerns regarding the lack of transparency in the development of the Napa Proposal and Delta Improvements process and noted these could jeopardize the CALFED Program.
- Ulrich Luscher, Consulting Engineer, was concerned that there was no specific mention of the levee system reliability in the proposed resolution and that levee failure could affect Delta water quality for months or even years.
- Kelly McDonald, representing Defenders of Wildlife and other environmental groups, expressed disapproval of the proposed resolution. In addition, they had concerns about a recently released scientific review of the CALSIM II model, especially regarding the groundwater component.
- Kevin Wolf, Wolf and Associates, proposed that alternative evaluation tools, other than CALSIM II, be used to assess alternatives such as set-back levees.
- Lowell Ploss, San Joaquin River Group Authority, which is the implementing entity under the Vernalis Adaptive Management Program (VAMP), expressed concern that future Delta actions might negate efforts already underway to protect Chinook salmon.
- Steven Evans, Friends of the River, was concerned that the Program should achieve balance before increasing Delta diversions. He noted that spending money is not a goal; rather, it is that all elements of the Program move forward together to meet Program goals. Other issues of concern included lack of progress toward the goal of doubling natural production of anadromous fish, and NEPA and CEQA review for Operations Criteria and Plans, and Red Bluff Diversion Dam operations.
- Bill Jennings, representing DeltaKeeper and WaterKeeper of Northern California, stated that the complexities of the Delta are not understood and that addressing salinity should not be a substitute for evaluating other water quality components or problems. Other concerns included the CALSIM II

review, the recirculation proposal, the proposed Franks Tract project, and the need to allocate sufficient resources to the Program.

- Eric Wesselman, Sierra Club, voiced his support for what Steven Evans had said and noted that he was pleased the Authority had pulled the proposed resolution. His issues included the goal of doubling natural production of anadromous fish, take limits that were routinely exceeded at the Delta export facilities, the CVPIA (b) (2) baseline issue, the recent 9th circuit court ruling, water quality issues, and the CALSIM II Panel review.
- Thomas Birmingham, Westlands Water District, stated that potential water quality projects under discussion are products of discussions, which are not completed. The goal is to get better together. He agreed with Senator Machado that the Program is out of balance with respect to water quality, and so are the other programs, such as conveyance.
- Kendrick Hafen, Tehama-Colusa Canal Authority, discussed the Napa negotiations and expressed his concern that Central Valley Project contractors north of the Delta were not included in those discussions.
- David Breninger, Placer County Water Agency and Recreational Boaters Organization of California, addressed the Authority in support of the proposed resolution.

6. **SOUTHERN CALIFORNIA WATER DIALOG SNAPSHOT QUESTIONNAIRE**

Frances Spivy-Weber, BDPAC member, and Kathy Caldwell, Authority Southern California Regional Coordinator, presented an informational report on the results from the questionnaire. Their hard work was acknowledged; and the dialogue was encouraged to continue with assessing water supply, demand, and investments within the region.

7. **PRESENTATION OF THE ANNUAL REPORT AND APPROVAL OF THE PROGRESS AND BALANCE STATEMENT**

Resolution 03-12-03 (Adopting the 2003 Statement of Progress and Balance for Inclusion in the Annual Report and Endorsing the Annual Report for Submittal).

Director Wright introduced this item by discussing the statutory requirements for the Annual Report, including the progress and balance statement. Jason Peltier noted that this year's annual report was prepared by a State agency (California Bay-Delta Authority) and is not considered a Federal document.

Senator Machado stated that specific actions and timelines are needed to bring about balance in the CALFED Program. BDPAC and Authority members discussed the issues of progress, balance, milestones, schedules and performance measures, and the implications of unreliable funding.

Authority member Susan Kennedy raised the point that in the drafting of the Record of Decision, there was the expectation that elements of the Program could fall behind schedule without triggering a statement of imbalance and that mechanisms, such as periodic assessments, were put in place to identify and correct those types of problems. Gary Hunt noted that the Authority is a dynamic, new agency empowered to work with the implementing agencies to achieve balance. If it is not achieved, the Legislature likely would take action. Members suggested that a process or action plan is needed for the next year to achieve balance; and a system of objective evaluation, tool or metric, upon which all can agree, is needed to evaluate progress.

Suggestions were made on how to rewrite the resolution in order to reflect the concerns of BDPAC and the Authority. Amendments to the resolution were proposed and agreed upon, including deleting all references to balance. In addition, the members agreed that a letter of conveyance or transmittal specifying their concerns be sent with the Annual Report.

Gary Hunt summarized the discussion by saying that the letter of conveyance should: 1) reference the Governor's policy letter to Dianne Feinstein; 2) indicate that unless long-term State funding and Federal authorization are secured, it will be difficult not to find the Program out of balance at the end of 2004; and 3) state that the goal of the agencies is to do everything they can to bring the Program into balance. The Authority staff should identify issues of current imbalance and develop a mechanism or an action plan to identify performance measures and funding sources to bring those elements back into balance.

During the discussion, BDPAC unanimously recommended Authority passage of the amended resolution. The Authority passed the amended resolution by a 14-0 vote.

8. Future Priorities – Process for Moving Forward

This agenda item was deferred to the February 11, 2004 meeting.

9. Grant Programs – Process and Grants

- a. Resolution 03-12-04 (Recommending to the Department of Water Resources that it Proceed with the 2004 Water Use Efficiency [WUE] Proposal Solicitation Package [PSP] Consistent with the Stated Priorities, Selection Process and Schedule).**

Marsha Prilwitz, DWR, presented DWR's Water Use Efficiency PSP. With little discussion, BDPAC unanimously recommended that the Authority adopt the resolution. The Authority by a 13-0 vote adopted the resolution recommending DWR proceed with the 2004 WUE PSP.

Note: BDPAC, consistent with its past practice of not recommending awards of grants, (due to the potential for conflict of interest among the stakeholder members and their representative organization), did not take action on the following agenda items: 9b, 9c, and 9d.

b. Resolution 03-12-05 (Recommending to the Department of Water Resources that it Proceed with the Award of a Grant to Contra Costa Water District to Begin Implementation of the Rock Slough and Old River Water Quality Improvement Project).

Sam Harader, Authority Drinking Water Quality Program, presented a DWR proposed award of a Drinking Water Quality grant to the Contra Costa Water District for the Rock Slough and Old River Water Quality Improvement Project. The Authority approved the resolution by an 11-0 vote to recommend DWR proceed with the award of the grant.

c. Resolution 03-12-06 (Recommending to the Department of Water Resources that it Proceed with the Award of Groundwater Storage Grants and Groundwater Recharge Loans).

John Woodling, DWR, summarized the selection process for awarding funds for Groundwater Storage Grants and Groundwater Recharge Loans in the Central Valley. Members of the Authority asked questions about the criteria for selecting projects, how the projects were ranked, why fewer dollars were awarded to the Sacramento Region compared to other regions and stated the importance of the Sacramento Valley Basin-Wide Groundwater Management Plan. Authority member Al Montna said that he believed the selection process put the Sacramento Valley at an unfair disadvantage because it required projects to be nearly fully developed. Some BDPAC members, speaking as private citizens, agreed with Mr. Montna and questioned the development and substance of the selection criteria. Following the discussion, the Authority asked that the criteria for the Proposition 50 Chapter 8 money be presented at the February 11, 2004 meeting along with the ranking of the projects selected for the groundwater loans and grants.

The Authority approved the resolution to recommend to DWR to proceed with the award of the groundwater storage grants and groundwater recharge loans by a 12-0 vote. Chairman Hunt requested that DWR Interim Director Linda Adams consider the concerns expressed and re-review the applications prior to her final decision to award the grants.

d. Resolution 03-12-07 (Approving Ecosystem Restoration Program Grants and Authorizing the Director, or Designee, to Process the Approved Grants).

Dan Castleberry, Bay-Delta Authority, presented the Ecosystem Restoration Grants that were selected through the Authority's Ecosystem Restoration Program PSP and Directed Action processes. The four grants recommended for awards were:

- *Mercury and Methylmercury Processes in North San Francisco Bay Tidal Wetland Ecosystem* (\$1.6M) to San Francisco Estuary Institute, Prop. 204 Bay-Delta Ecosystem Restoration Account.
- *Mercury in Bay-Delta Birds: Trophic Pathways, Bioaccumulation and Ecotoxicological Risk to Avian Reproduction* (\$5.3M) to U.S. Fish and Wildlife, Prop. 204 Bay-Delta Ecosystem Restoration Account.
- *Monitoring and Investigations of the San Joaquin River and Tributaries Related to Dissolved Oxygen* (\$6.8M) to San Joaquin Valley Drainage Authority, Prop. 13 Bay-Delta Multipurpose Water Management Sub-account.
- *Implementing a Collaborative Approach to Quantifying Ecosystem Flow Regime Needs for the Sacramento River* (\$1.5M) to The Nature Conservancy, Prop. 204 Bay-Delta Ecosystem Restoration Account.

The Authority approved the four grants by a 12-0 vote.

10. Adjournment

The meeting was adjourned at 5:05 p.m.