

Ecosystem Restoration Subcommittee Meeting
Wednesday, June 19, 2002
Bonderson Building
901 P Street, Hearing Room 102-A
Meeting Summary

Subcommittee members (or their alternates) and agency liaisons present:

Gary Bobker (TBI)	Ryan Broddrick (Ducks Unlimited)
Tom Zuckerman (CDWA)	Tim Ramirez (Resources Agency)
Serge Birk (CVPWA)	Elise Holland (Trust for Public Lands)
Lisa Holm (CCWD)	Steve Shaffer (Dept. of Food & Ag)
Diana Jacobs (CDFG)	Peter Jacobsen (MWD)
Sergio Guillen (CDWR)	Bernice Sullivan (FWUA)
Evonne Beasley (BVT)	Carolyn Yale (EPA)

Introductions and Subcommittee status report:

The meeting began with introductions and a subcommittee status report. Dan Castleberry (Ecosystem Restoration Program (ERP)) reminded members of the need to update the members list, including alternates. Several members noted that they did not receive announcements. Dan explained that he had only recently discovered that not all members were on the mailing list. He promised to make sure that all members were added to the list and that members would also receive e-mail notices of upcoming meetings as well.

Ecosystem Restoration Program status report:

Dan Castleberry gave the Chief's Report. He briefly outlined items that the subcommittee would be hearing about as part of the status report and then focused on staffing needs. Dan gave an overview of the ERP's approved organization chart and regional focus. The ERP has eighteen staff positions filled with twelve positions vacant. In addition to the positions directly under Dan's supervision, about forty-five agency positions have been approved, but most are not filled. Dan presented the numbers of ERP projects in each region as 136 for the Sacramento, 48 for the San Joaquin, 45 for the Bay, 81 for the Delta, and 72 that spanned multiple regions (mostly water quality, science, and education projects). Based on the numbers of projects in each region, Dan recommended that two additional regional coordinator positions, one each for the Sacramento and Delta regions, be added to the number of approved positions. Dan summarized the ERP's staffing needs in priority order as follows: three supervisory positions, two program tracking positions, four regional coordinator positions, one PSP and Implementation Plan position, and six additional staff positions (including water quality, science, compliance, and support positions).

Serge expressed concern over the heavy contract administration load. Dan explained that most contract administration is handled by other CALFED staff, agency staff, or though the National Fish and Wildlife Foundation contract. Ryan asked if ERP is meeting broad minimum legal requirements and asked if there might be any relief with Federal funding. Dan Castleberry replied that some of the positions are Federal, and

that additional Federal funding could help. Dan also stated that CALFED had originally planned to use consultant resources to alleviate staff shortages, but that contracting limitations had prevented this effort from moving forward. Gary agreed there is lots to do and no easy answers.

Gary identified the North of Delta Offstream Storage, specifically the Flow Regime Technical Advisory Group, as one area where the ERP should invest more staff time. Serge suggested that ERP address ISI needs and ERP needs and figure out how to create efficiencies. EWP was discussed as far as developing ecological criteria for water acquisition. Discussion included the ideas of joint work plans and joint efforts for efficiency.

Next, **Terry Mills (ERP) gave an update on the Budget for Year 2.** A total of \$140 million was available in year 2 from Proposition 204 for the ERP . These funds were allocated as follows:

- \$58 million for 2002 projects
- \$30 million for 2002 directed actions, including 2002 PSP projects
- \$600,000 to DWR Fish Passage Program
- \$796,000 to DWR for Yolo Basin Studies
- \$459,000 to DWR for SJ Drainage Implementation
- \$150,000 to the Resources Agency
- \$409,000 to SWRCB
- \$139,000 to DFA
- \$1.8 million to DFG CALFED support
- \$2.8 million (3% admin fee)
- \$4.4 million (5% contingency for projects)
- \$1.4 million (1.5% bond sale fee)
- \$689,000 ERP Program Management

Total = \$ 101.8 million for Year 2 from Prop. 204

Terry also identified that \$56 million had been allocated in years 1 and 2 for the Environmental Water Account.

In addition, Terry presented information of the Central Valley Project Improvement Act budget, including \$16.7 million in Water and Related Resources funds and \$57 million in Restoration Funds, to total \$73.6 million.

Dan Ray and Lauren Hastings (ERP) next gave a presentation on the ERP's 2002 Proposal Solicitation Package (PSP) results. A total of 260 proposals were received with an average request of 1.8 million dollars. Final recommendations are to fund 59 projects for 63 million (as is, in part or with conditions). Recommendations were also made to include 39 additional projects totaling 148.6 million as Directed Actions in the ERP annual work plan. Changes that occurred this year compared to last year included separation of the implementation plan and PSP; greater emphasis on a regional approach; increased coordination with other funding entities; a revised, web-based proposal submission, review and selection process; a revised public comment process; and recommendations to consider some proposals as directed actions.

There was discussion on how projects might come back into competition if they were not selected for funding or further consideration as potential directed actions. Staff explained that applicants could submit proposals in response to future solicitations. Tom Zuckerman expressed concern that the recommendation to consider some proposals as the basis for directed actions could raise legal issues. Staff explained that legal issues associated with the “consider as a directed action” recommendations were being coordinated carefully with the Attorney General’s office. There was discussion of the increased coordination of fund sources such as Propositions 204 and 13 and the Federal Central Valley Project Improvement Act. Ryan Broddrick reported that members of the Environmental Justice Subcommittee were concerned about the digital divide limiting prospective applicants access to restoration funds given that the proposal submission and review process was conducted over the Internet. Ryan also pointed out that that Dan Castleberry had responded to the EJ Subcommittee concerns by stating that the ERP had made sure that resources were available to bridge that divide. Gary Bobker emphasized the importance of the ERP showing how and why its restoration projects and ecosystem research is relevant to the local community. There was a general recognition that the ERP and Science Program staff did a great job running the proposal solicitation and review process.

Bruce DiGennero (Kleinschmidt) next gave a presentation on the Look-Back Exercise. Bruce explained that he was reporting on the nearly completed phase 2 of an effort to evaluate program and project accomplishments, often referred to as the look-back exercise. Bruce briefly explained that phase 2 was focused on developing and testing methods through a pilot effort. He reminded the subcommittee that phase 1 was focused on scoping the extent of the exercise, and that phase 3 would be a comprehensive effort to evaluate program and project accomplishments. Bruce also stated that the programmatic review was based on what was proposed or described in scopes of work and not on actual project accomplishments.

Their preliminary findings are as follows:

- There is significant value in collaboration
- There has been limited communication and exchange of information (across projects or through CALFED).
- There is widespread lack of understanding and application of adaptive management
- There are significant contracting and regulatory issues.

Their preliminary recommendations are as follows:

- Invest more in post-selection activities
- Take a more active role in developing conceptual models and defining projects.
- Create stronger linkages between planning, implementation, research, monitoring and assessments.
- Improve contracting and permitting processes.

Peter Jacobsen, of the Metropolitan Water District of Southern California, presented an update on the California Urban Water Agencies (CUWA) Category III projects and funds. Peter presented a number of slides that showed successful ecosystem restoration as a result of the early (prior to the Record of Decision) commitment of \$32.2 million in CUWA funding. He stated that these early projects are going well with much success. The Subcommittee stressed that any remaining funds should be available to use on ERP projects.

Next steps for the Subcommittee

Gary Bobker initiated discussion of the “Draft list of desired outcomes for the Ecosystem Restoration Subcommittee of the California Bay-Delta Public Advisory Committee”, which the group had discussed at their last two meetings. Most members of the subcommittee did not have copies of the draft list, but Lisa Holm was able to facilitate the discussion based on her notes from the last meeting. The draft list included four categories of outcomes, including administrative, funding, implementation, and process. At the May 22nd meeting, the subcommittee generally agreed on the items listed under the administrative, implementation, and process categories. At this meeting, the subcommittee identified a need for targets for implementation outcomes (for example, acres of each habitat type protected or restored, water acquired). The subcommittee also agreed that they needed to make sure that ERP funds are being reasonably accounted for and reasonably spent.

At the May 22nd meeting, the subcommittee did not agree on several items listed under the funding category. Much of the discussion at this meeting focused on funding related issues, including establishment of a user fee and status of the Environmental Water Program.

Several members of the subcommittee asked for clarification of the need for a user fee. Gary pointed out that the Framework for Action identified that \$1.42 billion would be needed over the first 7 years for ERP implementation, with \$35 million a year being generated by a new broad-based user fee. Staff explained that the \$1.42 billion was to be composed of \$510 million each from the State and Federal governments and \$400 million from other sources. Included in the \$400 million from other sources was the new broad-based user fee that together with \$15 million annually from the CVPIA Restoration Fund would generate \$50 million a year from users. Staff further explained that these funds would contribute toward the \$150 million identified for the ERP each year in the ROD to help achieve assurances for the CALFED Bay-Delta Program.

Gary emphasized the need for allocating a significant portion of remaining ERP funds to the Environmental Water Program. Elise Holland stated that we should use funds that we have now for a pilot water acquisition project on priority streams, collaborating with local agencies and groups. Gary, Elise, and Serge Birk all stressed the need to acquire water as part of the EWP now. Diana stated that we should think hard about Gary’s list, accountability, acres, targets, EWP etc, -- but to be mindful that we can’t do it all. Gary stated, no doubt we can’t do it all, but we should ask, can we do it better? Gary further spoke about performance metrics and a need to set aside Proposition 204 funds for the EWP. Eugenia reminded the Subcommittee to make recommendations to BDPAC, not to ERP staff. Serge and Elise returned the discussion to the EWP. Ryan stressed the need for accountability for funds spent. Gary asked the subcommittee if we are going to have a budget and a timeline for EWP? Dan Castleberry pointed out that there is no EWP in the ERP organization chart or Year 2 budget. Ryan stated that EWP needs to be teed up for BDPAC, that the EWP needs specific targets, staff, and budget.

The subcommittee scheduled its next meeting for July 17th at 9:30 a.m., and the following meeting for August 27th at 1:00 p.m.

Action Items

1. Establish an e-mail list of Subcommittee members, get meeting notice out early.
2. Continue to refine the draft list of desired outcomes for the Ecosystem Restoration Subcommittee.
3. Review the ROD commitments with respect to the ERP and assess what the ERP has done for each of the commitments.
4. Develop list of quantified targets for implementation outcomes (for example, acres of each habitat type protected or restored, water acquired).
5. Address Integrated Storage Investigation needs to create efficiencies.
6. Develop ecological criteria for water acquisition.
7. Create a budget and a timeline for EWP.
8. Consider bringing EWP needs to BDPAC
9. Assure that ERP funds are being reasonably accounted for and reasonably spent.
10. Pursue staffing needs