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Agenda Item: 2
Meeting Date: October 12, 2006

CALIFORNIA BAY-DELTA AUTHORITY

June 15, 2006
650 Capitol Mall, Bay-Delta Room
Sacramento, California

MEETING SUMMARY

1. CALL TO ORDER AND OPENING REMARKS - INTRODUCTION / ESTABLISHMENT OF QUORUM

Chairman Gary Hunt called the meeting of the California Bay-Delta Authority (Authority) to order at 9:15 a.m. A quorum was established at 10:45 a.m.

The following Authority members or their designees were present:

Public – Paula Daniels, representing the Southern California Region; Alfred Montna, representing the Sacramento Valley Region; Patrick Johnston, representing the Sacramento-San Joaquin River Delta Region, and Marc Holmes, Member-at-Large.

State –Mike Wintemute, designee for Michael Chrisman, Secretary for Resources; Lester Snow, Director of the Department of Water Resources (DWR); Ryan Broddrick, Director of the Department of Fish and Game (DFG); Ken Trott, designee for A.G. Kawamura, Secretary for Food and Agriculture; Rufus Howell, designee for Sandra Shewry, Director of the Department of Health Services; and Tom Howard, designee for Dan Skopec, Acting Secretary for Environmental Protection Agency.

Federal – Allan Oto, designee for Kirk Rodgers, Regional Director, Mid-Pacific Region, U.S. Bureau of Reclamation (USBR); Scott Clark, designee for Colonel Ronald Light, District Engineer, Sacramento District, U.S. Army Corps of Engineers; and Dave Harlow, designee for Steve P. Thompson, Manager of the California-Nevada Operations Office, U.S. Fish and Wildlife Service.

Ex-Officio – Alf Brandt for Assemblymember Lois Wolk, Chair of the Assembly Water, Parks and Wildlife Committee.

2. ADOPTION of DECEMBER 8 and 20, 2005, and APRIL 13, 2006, MEETING SUMMARIES

Following the establishment of a quorum, all meeting summaries were unanimously adopted as submitted.

3. DIRECTOR'S REPORT

Director Joe Grindstaff gave a legislative and budget update, noting no changes to governance will happen this year. The Authority will continue to operate through Fiscal Year 2006-07. Director Grindstaff said that staff would begin preparing a draft document for the Authority that lays out the End of Stage 1 Decisions and Stage 2 Actions.

Rick Breitenbach, Authority Deputy Director, provided an update on the progress of draft Program Plans. Draft Plans for most Program elements have been posted to the Authority's website for review.

4. AUTHORIZATION OF INTERAGENCY AGREEMENT WITH DEPARTMENT OF JUSTICE

Chris Stevens, Authority Chief Counsel, presented a resolution to authorize a new interagency agreement between the Authority and the Department of Justice (DOJ) for the DOJ to provide litigation and legal services for the Authority. The agreement contains an "assignment" provision which considers the Authority's future assignment to the Resources Agency as part of the reorganization plan contained in the 2006-07 Budget Act. After a quorum was established, Resolution 06-06-01 was unanimously approved.

5. DELEGATION OF AUTHORITY: ASSIGNMENT OF CONTRACTS AND GRANT AGREEMENTS

Mr. Stevens presented a resolution to delegate authority to the Director of the Authority to take all administrative actions necessary, including the transfer of Authority staff and resources, to implement the Legislature's CALFED reorganization plan. Mr. Stevens explained that the Authority administrative unit would be transferred to the California Department of Forestry (CDF) because CDF currently provides administrative support to the Resources Agency. It was noted that the reorganization will not affect the independence of science. After a quorum was established, Resolution 06-06-02 was unanimously approved.

6. LEAD SCIENTIST REPORT

Dr. Ron Ott, Authority Deputy Director for Science, presented a recommendation to dissolve the existing Independent Science Board (ISB) in order to establish a smaller more targeted ISB as recommended by Dr. Johnnie Moore, Lead Scientist. Dr. Ott shared the list of individuals nominated to the ISB, recognizing their diverse backgrounds and areas of expertise. Chairman Hunt asked if past issues concerning the difficulty ISB members have had in easily communicating with each other had been resolved. Mr. Stevens responded that legislation pertaining to this issue has still not gone through, but the open meeting laws would be thoroughly explained. After a quorum was established, Resolution 06-06-03 was unanimously approved.

Dr. Ott presented the Science Program's 2006 Focused Proposal Solicitation Package (PSP) process. Dr. Ott explained that the PSP has been streamlined and focused to

better respond to management needs. The 2006 PSP priority topics are environmental water, aquatic invasive (exotic) species, trends and patterns of populations and system response to a changing environment, and habitat availability and response to change. The Science Program has allocated \$6 million (\$1-2 million per each of the four focused research topics) for the PSP. Dr. Ott requested that the Authority adopt Resolution 06-06-04 to approve the Science Program's 2006 Focused PSP and authorize the program to proceed with the solicitation process. After a quorum was established, Resolution 06-06-04 was unanimously approved.

Dr. Ott informed the Authority that the selection process was still underway for appointment of a Lead Scientist.

Dr. Ott introduced Chuck Armor, Program Manager, Interagency Ecological Program (IEP), Department of Fish and Game. Mr. Armor presented the 2005 results from the IEP Pelagic Organisms Decline (POD) studies. The studies held the hypothesis that improved hydrology in 2005 would have no major effect on the decline, and that a number of factors, not just flow, contribute to the decline of pelagic organisms. Mr. Armor presented various findings about water project operations and exotic species that would be discussed in greater detail at the October 2006 CALFED Science Conference. Discussion centered on the need for managers to make decisions, even with limited information. Ryan Broddrick, DFG Director, noted that DFG is narrowing the bookends of scientific information to a point where management decisions can be made. Continued synthesis is a critical component.

Chairman Hunt requested that the Authority move to Item 7 on the agenda and follow it with item 6E, Delta Science Report.

7. RECOMMENDATION TO DEPARTMENT OF FISH AND GAME ON ECOSYSTEM RESTORATION PROGRAM PROJECT – NORTHERN PIKE CONTAINMENT SYSTEM AT LAKE DAVIS

Ryan Broddrick, provided context for DFG's request to move forward with an Ecosystem Restoration Program-funded project to construct a containment system at Lake Davis to help eradicate the northern pike. Mr. Broddrick described the issue and past efforts, and introduced Frank Wernette, Project Manager, DFG. Mr. Wernette said that DFG would construct strainer bags, with 1 mm mesh, that would be used to screen out the pike so that they do not escape and impact the other waterways. The total cost of the project is \$4.2 million, but the request is for \$2 million to make up the difference in funds not provided from other sources. Chairman Hunt asked how the pike issue may impact water supply reliability. Mr. Wernette responded that if northern pike are found in other waterways, the pike could impact other fisheries, which may lead to regulatory restraints. Chairman Hunt asked about the eradication process. Mr. Wernette described that the containment system is one step in the process. The next step is to poison the lake. There are also plans to drain the lake later this year. There was a discussion about the effects of the pesticide used, and if there were possible effects to smelt. Mr. Wernette said that the pesticide is neutralized a half mile down stream. Big

Grizzly Creek flows out of Lake Davis, and is high up in the watershed. No pike have been found in Big Grizzly Creek to date. Mr. Brodrick explained how the screens are cleaned. Marc Holmes asked if there are plans to continue monitoring. Mr. Wernette said that education and enforcement efforts have been ramped up, but people's opinions continue to range widely on the issue. Resolution 06-06-06 which recommends DFG proceed with an ERP grant of up to \$2 million to support the project was brought to a vote and unanimously approved.

8. DELTA SCIENCE PANEL REPORT

Director Joe Grindstaff introduced Dr. Robert Twiss, Professor, Graduate Center for Environmental Design Research, and member of the Delta Science Panel. Dr. Twiss presented a review of the principle forces that are influencing the Delta. Discussion centered on urban development and with whom responsibilities lie. The State is not always involved in review of projects. DWR has limited jurisdiction regarding validity of projects.

Linda Fiack, Executive Director, Delta Protection Commission (DPC), provided an update on DPC efforts to manage issues related to the Delta. The DPC has compiled lists of development projects now under way or under consideration in the Delta, categorized into primary zones and secondary zones. Paula Daniels asked if it might be worthwhile to send a request to the Governor requesting that all development in the Delta be halted until effects can be analyzed properly. Chairman Hunt requested that the Delta Protection Commission educate the Authority on the issue at the next Authority meeting. Chairman Hunt also asked for information about the California Environmental Quality Act (CEQA) process in regard to projects in the Delta, and the role the Authority has in providing comment. Chairman Hunt asked about the proper channels for providing comment. Ms. Daniels said that local municipalities also need to be involved. Ms. Fiack said that discussions are under way in Sacramento County. The Sacramento County Board of Supervisors, prompted by the Federal Emergency Management Agency (FEMA), are talking about a moratorium. Discussion continued regarding urbanization in the flood zone.

Meeting was adjourned for a 15-minute break. Chairman Hunt called the meeting back to order at 12:20 p.m., to resume over a working lunch.

9. WATER USE EFFICIENCY EVALUATION REPORT

Tom Gohring, Authority Deputy Director for Water Management, presented the public review draft of the Water Use Efficiency Comprehensive Evaluation. Mr. Gohring said that although they have good data on urban conservation, there is little data or hardly any data available on agricultural conservation, recycling, and desalinization. Paula Daniels asked what obstacles prevent access to good data on recycling. Mr. Gohring said that numbers are voluntarily provided and as a result, very little true data is available. Discussion centered on Memorandum of Understanding compliance and the effectiveness of the grant program. Director Grindstaff said that from his perspective as

a previous general manager of a retail operation, it is not always in the interest of the water agencies to implement water conservation because of cost. He said that he would like to pursue making best management practices a requirement. Dave Mitchell, Economist, M.Cubed, said that compliance varies across areas, with some agencies fully committed and others not. Ms. Daniels asked if there are ways to encourage compliance through incentives. She noted there is money for desalinization projects, but not necessarily for watershed management and other strategies.

10. END OF STAGE 1 DECISIONS AND PREPARING FOR STAGE 2 IMPLEMENTATION

A number of items were discussed under this agenda item, including updates from the implementing agency committees, and updates on the Delta Vision process, Bay-Delta Conservation Plan, and Delta Risk Management Strategy.

Jason Phillips, Program Manager, USBR, provided an update from implementing agency staff working to develop performance measures. Mr. Phillips reported that this group is working on a Phase 1 Report that will lay out the purpose, approach, goals and core indicators, resources needed, next steps, and schedules of the performance measures effort. In order to solicit public involvement, the team will use the Bay-Delta Public Advisory Subcommittees in their process.

Rick Soehren, DWR, provided a short update on the efforts of the Coordinated Actions Subcommittee. The team is developing an inventory of programs, agencies and contacts, and preparing outreach summaries. The team will resume meeting in the fall.

Rhonda Reed, Authority ERP Program Manager, gave an update on the Level 1 Program and Fiscal Tracking Subcommittee. The first step has been to gather data from the agencies that identify what Level 1 data is collected. The team is working to identify parameters.

Adrian Perez, State Water Resources Control Board, gave an update from the Environmental Justice (EJ) Subcommittee. Mr. Perez recapped the EJ Roundtable held April 13, 2006. Ms. Daniels said the Roundtable was successful and encouraged agency staff to continue moving forward with their efforts to develop an implementation plan. Mr. Perez described some of the challenges facing the effort, but said the agencies are committed to preparing a plan, with EJ stakeholder involvement, to bring back to the Authority in October.

Chairman Hunt invited Mary Ann Dickinson, California Urban Water Conservation Council, to provide public comment in response to the Water Use Efficiency (WUE) Evaluation Report. Ms. Dickinson said that if rates are structured correctly, it is a win/win situation. Ms. Dickinson noted that her organization maintains the best management practices reporting database which is used by the California Public Utilities Commission, CALFED, and others. It costs \$250,000 to maintain the database for all water industries in California, and she encouraged the continuation of funding to

keep it going. Marc Holmes said that certification is required, but we do not do enough to help industry achieve success. Discussion continued regarding the cost effectiveness of water agencies on WUE practices.

Kamyar Guivetchi, DWR, provided an update on the Delta Vision Process, its purpose, products and schedule. Director Grindstaff said that there will be continued focus on the End of Stage 1 Decisions and End of Stage 2 Actions, and the Delta Vision is a much broader look. Mr. Guivetchi also provided a brief update on the Delta Risk Management Strategy. Several topical white papers are already in development using the best available data. Mr. Holmes asked about the stakeholder assessment. Mr. Guivetchi said an assessment will include a list of all planning efforts, interests, areas of substantial agreement, and identify data gaps. The Delta Vision Conference helped provide stakeholder feedback. A summary document is being put together, which includes more than 75 interviews, and results from an online survey.

Tom Zuckerman, DWR, reported on the Delta Vision Conference held at University of the Pacific in May. There were over 275 attendees representing a broad spectrum of interests. The conference was designed to get various interests to talk to each other. Key issues from the conference were that problems in the Delta are more a land-use problem than water reliability, and the significance of the Delta to economy and ecosystem. It was asked how the conference findings related to Delta Vision. Mr. Zuckerman responded that the conference helped to identify key stakeholders and interests and increase communication about the Delta Vision effort. Delta Vision needs to be integrative.

Cindy Darling, Authority Bay Regional Coordinator, gave an update on the Bay-Delta Conservation Plan. BDCP is progressing, but there will be more to say in September. BDCP is a key piece to moving forward with ecosystem restoration.

ADJOURNMENT

Chairman Hunt said there will be no meeting in August. The meeting was adjourned at 2:35 p.m.