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Meeting Date: June 21, 2007
Agenda Item: 2

CALIFORNIA BAY-DELTA AUTHORITY
JOINT MEETING OF THE
CALIFORNIA BAY-DELTA AUTHORITY
AND BAY-DELTA PUBLIC ADVISORY COMMITTEE

December 14, 2006
Sacramento Convention Center
Sacramento, California

MEETING SUMMARY

CALL TO ORDER AND OPENING REMARKS

Chairman Gary Hunt called the joint meeting of the California Bay-Delta Authority (Authority) and Bay-Delta Public Advisory Committee (BDPAC) to order at 9:15 a.m.

Following roll call (Item 2), Chairman Hunt introduced Dr. Michael Healey, newly appointed CALFED Lead Scientist. Chairman Hunt also presented a service award to Authority member, Daniel Wheeler, who was to resign from the Authority on December 31, 2006.

ITEM 2: Roll Call and Establishment of Quorums

A quorum of the Authority and a quorum of BDPAC were established by 9:45 a.m.

The following Authority members or designees were present:

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

State – Jay Chamberlin, 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); A.G. Kawamura, Secretary for Food and Agriculture; Rufus Howell, designee for Sandra Shewry, Director of the Department of Health Services; and Cindy Tuck, designee for Linda Adams, Secretary for California Environmental Protection Agency (Cal EPA).

Federal – Jason Peltier, designee for Dirk Kempthorne, Department of the Interior; Frank Michney, designee for Kirk Rodgers, Mid-Pacific Regional Director, U.S. Bureau of Reclamation; Scott Clark, designee for Colonel Ronald Light, Sacramento District Engineer, U.S. Army Corps of Engineers; Dave Harlow, designee for Steve P. Thompson, Manager of the California-Nevada Operations Office, U.S. Fish and Wildlife

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Service; and Karen Schwinn, designee for Wayne Nastri, U.S. Environmental Protection Agency.

Ex-Officio – Alf Brandt for Assemblymember Lois Wolk, Chair of the Assembly Water, Parks and Wildlife Committee; and Dennis O'Connor for Senator Sheila Kuehl, Chair of the Senate Water, Parks, and Wildlife Committee.

The following BDPAC members were present: Patricia Acosta, Water Replenishment District of Southern California; Gary Bobker, The Bay Institute; Denny Bungarz, County of Glenn; Marci Coglianese, City of Rio Vista; Gregory Gartrell, Contra Costa Water District; David Guy, Northern California Water Association; Steve Hall, Association of California Water Agencies; Ronald Jacobsma, Friant Water Authority; Steve Johnson, The Nature Conservancy; Lillian Kawasaki, Los Angeles Department of Water and Power; Leslie Lohse, Paskenta Band of Nomlaki Indians; Steve Macaulay, California Urban Water Agencies; Robert Meacher, Plumas County Board of Supervisors; Bill Pauli, California Farm Bureau Federation; Timothy Quinn, Metropolitan Water District of Southern California; Rudolph Rosen, Ducks Unlimited; Frances Spivy-Weber, Mono Lake Committee; Walter Wadlow, Santa Clara Valley Water District; and Thomas Zuckerman, Central Delta Water Agency.

ITEM 3: DIRECTOR'S REPORT (*Information Item*)

Joe Grindstaff, Director, CALFED Bay-Delta Program, opened his report by introducing DWR Director, Lester Snow. Director Snow provided a brief update on the status of bonds related to recently passed Propositions 1E and 84.

He began with Proposition 1E noting that it is the single largest investment in flood management by the State. Meetings with stakeholders were underway to get input on the priorities and criteria. Major breakdown of the bond is: \$3 billion for Central Valley flood management, a portion to State and Federal flood control project systems, and a portion to the Delta. In addition, there were \$.5 billion for statewide subventions, \$300 million for flood corridor bypasses and risk identification; and \$300 million for statewide stormwater flood management grants.

Proposition 84 includes a number of pieces: \$800 million for flood management, \$1 billion for integrated regional water management and other programs (i.e., safe drinking water, San Joaquin River restoration). Mr. Peltier asked Director Snow how planning will occur for the programs that are being worked on and if the Authority can play a role in developing the plans. Director Snow said they are getting a basic structure in place to put in the Governor's budget.

Curt Miller, CALFED Assistant Director for Legislation, provided an update on the status of current legislation, including CALFED-centric legislation and flood protection/management bills that have been introduced.

Mr. Peltier gave an update on the Congressional picture, noting that California will continue to have a lot of members on water and power subcommittees.

Director Grindstaff updated members on the status of the Delta Vision. Rod Meade, who was contracted with to serve as Program Manager for Delta Vision, will leave at the

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end of the year. Leo Winternitz will lead the effort in the interim. Director Grindstaff said that announcements concerning appointments to the Delta Vision Stakeholder Coordination Group and the Delta-Vision Blue Ribbon Task Force would be forthcoming within weeks.

Dave Mraz, DWR, gave a status report on levee system integrity and the Delta Risk Management Strategy (DRMS) process. Mr. Mraz noted that the Levee System Integrity Program has been operating on a shoestring budget for many years, but that is set to change with the recent passage of the bonds. Mr. Mraz noted that the State may now have sufficient funding to accomplish base-level protection to reduce the risk of catastrophic levee failure. With respect to a plan for the Delta and how to invest the bond money, the Levee System Integrity Program has already made progress with DRMS. URS Corporation was put on contract in March 2006 to provide technical assistance with various efforts. Technical memoranda on topics such as subsidence, climate change, levee vulnerability, and economic and environmental consequences are scheduled for completion in January 2007. The memoranda will help inform the DRMS Phase 1 (Risk Analysis) document, which should be available for public review in April 2007. Once the Phase 1 process is sufficiently along, URS will begin working on Phase 2, which is to determine the mitigation measures that will be put in place to minimize the risk from levee failure. DRMS is working with the CALFED Independent Science Board (ISB) for peer review on Phases 1 and 2.

Director Grindstaff provided an update on the Bay Delta Conservation Plan, stating that a contractor has been hired and a work plan has been developed. There are significant challenges ahead, but the BDCP is making progress. The next meetings of the BDCP Steering Committee will take place December 15, 2006 and January 17, 2007.

Susan Garrett-Dukes introduced herself as the newly hired Deputy Director for CALFED Program Performance and Tracking. She said a clear implementation plan is forthcoming in the months ahead. Ms. Spivy-Weber asked who will track and report the interconnection between CALFED, Delta Vision, and the other various efforts under way. Mr. Bobker noted that if there is going to be a functional vehicle for knitting together all of the disparate threads that are affected by managing the Delta, then we need to get serious about the process.

Keith Coolidge, CALFED Deputy Director for Communications, provided an update on the next steps in the development of an environmental justice framework for the CALFED Program. Since the October 2006 Authority meeting, a group has been working on next steps to identify the holes of the current framework and move forward with putting together a revised framework that more appropriately addresses the concerns of the environmental justice community. Ms. Daniels added that it is the intent to include input from community members. Ms. Daniels has also requested that a social scientist or an economist be brought on board to help, maybe as part of ISB. Mr. O'Conner stated that Senator Sheila Kuehl had introduced legislation to create an environmental justice program within the CALFED Bay-Delta Program (SB 8).

ITEM 4: ADMINISTRATIVE ITEMS *(Action Item)*

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Chairman Hunt called attention to the 2007 BDPAC and Authority meeting dates. He then called BDPAC to order for various administrative action items. BDPAC members unanimously adopted the May 25, 2006 and September 13, 2006 meeting summaries. BDPAC members also unanimously voted to ratify the BDPAC subcommittee structure and chairs.

Denny Bungarz, County of Glenn, asked members to look over the Working Landscapes Subcommittee Status on Transition Report included in the meeting packet. The report was provided as an informational item.

Mr. Meacher noted that while the Working Landscapes Subcommittee may be working on its transition from a BDPAC subcommittee to a statewide advisory committee, the Watershed Subcommittee is struggling. He said that the Watershed Subcommittee would meet the next day (December 15) and was looking forward to having Director Grindstaff there to discuss his thoughts about its transition and how best the Watershed Subcommittee could continue to contribute.

Ms. Coglianesse, City of Rio Vista, asked when the BDPAC Steering Committee will next meet, stating that it would be helpful to have a discussion about how to move forward under the new subcommittee structure. Chairman Hunt said that they are looking to calendar a Steering Committee meeting early in the new year.

Chairman Hunt then called to order the Authority to consider administrative action items. The Authority unanimously adopted the October 12, 2006, Meeting Summary, with the following changes: Item 11 Public Comment, Page 8, paragraph 4, replace "Dr. Joe Loux" with "Dr. Joe Lyou"; and Item 9, page 6, paragraph 2, change "...the Science Program should be responsible for making performance measures," to ". . . the Science Program should be responsible for reviewing performance measures."

ITEM 5: LEAD SCIENTIST REPORT (*Information Item*)

Ron Ott, Deputy Director for Science, provided an update of Science Program activities, including the appointment of the CALFED Lead Scientist, Dr. Michael Healey, a recap of the 2006 Science Conference, the San Francisco Estuary and Watershed Science Journal, the Environmental Water Account (EWA) 2006 Review, Delta Risk Management Strategy (DRMS) independent review, 2006 Science Fellow, and the selections from the Science Program Proposal Solicitation. Mr. Holmes stated that the Science Conference and EWA Review were really exciting. However, he reminded members that \$6 million was reduced from an original \$20 million, which he felt was really a pitiful amount to devote to science.

Mr. Rosen said he would like information from the Science Conference summarized in some way, with conclusive results out of the conference that have gone on. Dr. Ott said that the Program is asked for that a lot and that they used to summarize the outcomes, but it would come out months later after being reviewed for accuracy, and by that time the science would have changed. The Program is collecting new data constantly. The focused approach is working and by the end of this next year the Program will be ready to draw some real conclusions. Chairman Hunt said that we are all for more money and are supportive, but we need to move toward some clear direction. Dr. Ott said that by

the end of 2007, we will have a pelagic organisms decline synthesis report with recommendations for managers.

Mr. Peltier asked about the State of the Science paper. Dr. Ott said it will be out at the end of 2007 and will say what we do and do not know. Mr. Peltier asked that the report be frank and explicit about where we have and have not had success: For example, where are we on mercury? Will it look back in hindsight about what decisions were wise or not? Dr. Ott said it will not make policy judgments. Overall direction is provided by the Lead Scientist and overall oversight of the report is handled by ISB. Chairman Hunt said that the decision makers have spent millions on programs and is there anything to evaluate which programs are working. Jeff Mount said they have not yet done a "look back," and suggested that it is a reasonable request. Dr. Healey said that a "look back" should be kept a separate process from synthesizing information for policy makers, and that synthesizing information is more critical now.

ITEM 6: INDEPENDENT SCIENCE BOARD REPORT (*Information Item*)

Dr. Jeff Mount, Chair, Independent Science Board (ISB), began by saying that the ISB believes the State of the Science Report is a living document. At its last meeting, the ISB unanimously disapproved of the reports given by the four subgroups (ecosystem restoration, water quality, water supply reliability and levee systems integrity), particularly those from the ecosystem restoration and water supply subgroups. Water quality is moving forward, so much so that it has been asked to come back to the February ISB meeting for a more in-depth presentation of its efforts. An ISB memo will be delivered early next week to take a hard look at how the ecosystem risk assessment will be incorporated into the other efforts.

Dr. Mount said that at the pace at which the Program is working, it is the most accelerated planning process of any time. This will mean jettisoning some processes. Members should know that the science they will be using to make policy decisions will be incomplete. Chairman Hunt asked how much time is enough time for the science to make good, informed decisions. Dr. Mount responded that it would be better to have a robust scientific infrastructure. Chairman Hunt said its best to pull together the best science available at the moment, given the timeframe.

ITEM 7: FUNDING RECOMMENDATIONS (*Action Item*)

Ron Ott, Deputy Director for Science, walked through the process regarding the selection of projects from the CALFED Science Program Focused Proposal Solicitation Package (PSP). Mr. Peltier expressed disappointment with the number of projects awarded for aquatic invasive species. Following discussion, the Authority unanimously approved Resolution 06-12-01 to recommend to the Secretary for Resources the awarding of science program grants from the 2006 Focused PSP.

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Chairman Hunt then advised the members that they would move to Item 9 on the agenda to take care of remaining action items before breaking for lunch. The meeting would return to the remaining items in the afternoon.

ITEM 9: PROGRAM PROGRESS AND BALANCE STATEMENT *(Action Item)*

Chris Stevens, CALFED Counsel, opened the item by providing the legal background and requirements pertaining to the Program progress and balance discussion. Director Grindstaff carried on with the discussion, stating that the Program has made significant progress, particularly in the levees program. Water quality is also ahead of the other programs with respect to performance measures, although it was just last year that its Program Plan was not approved. Director Grindstaff said that he is most concerned about ERP, but sees it moving ahead with such efforts as the Bay Delta Conservation Plan. Director Grindstaff recommended members not find the Program out of balance.

Chairman Hunt reconvened BDPAC to consider Resolution 06-12-02. Mr. Gartrell said there are additional accomplishments, and suggested adding a statement to the resolution that highlights the need to move the recently passed bond funds into the budget so that the projects identified can continue to be implemented. Mr. Gartrell motioned to approve with these amendments, Pat Acosta seconded. After discussion, BDPAC unanimously recommended to the Authority that it adopt Resolution 06-12-02 adopting the 2006 Statement of Program Accomplishments and Progress be included in the Annual Report and it be transmitted to the Governor, Secretary of the Interior, Legislature, and Congress.

Chairman Hunt then called the Authority to order for action on Item 9. Dan Wheeler motioned to approve Resolution 06-12-02, and Alfred Montna seconded. After a robust discussion regarding the implications of finding the program out of balance, Chairman Hunt suggested amending the resolution to include three directives: 1) to direct the Secretary to move forward with the development of performance measures for the four Program objectives; 2) to have staff prepare a more detailed evaluation and analysis of Program progress in relation to the CALFED Record of Decision; and 3) to revise the Program implementation schedule. Following discussion, Chairman Hunt advised setting March 22 as the date for a progress report and status against these directives, and June 20 for having performance measures identified. The Authority unanimously approved Resolution 06-12-02 as amended.

Ms. Kawasaki asked that BDPAC reconsider its recommendation on Resolution 06-12-02. It was reconsidered and unanimously approved.

ITEM 10: PROGRAM PLANS *(Action Item)*

Leo Winternitz, CALFED Deputy Director of Strategic Planning, was introduced to discuss adoption of the Year 7 Program Plans. Each BDPAC Co-Chair expressed their recommendations to approve or disapprove Program Plans for each of the Program elements. The Authority unanimously passed Resolution 06-12-03 approving the Program Plans.

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Chairman Hunt adjourned BDPAC and the Authority for a lunch break at 2:00 p.m., asking members to return by 2:30 p.m., to reconvene over a working lunch. The meeting reconvened at 2:36 p.m.

ITEM 7B: STATE WATER RESOURCES CONTROL BOARD – INTEGRATED REGIONAL WATER MANAGEMENT GRANT PROGRAM UPDATE *(Information Item)*

Barbara Evoy, Deputy Director, SWRCB, presented an update on the Integrated Regional Water Management Grant Program. Proposition 50 money is in two cycles: The first cycle contains \$175 million and there was a two-step statewide competitive grant process – a concept proposal process and then a solicitation process for the most successful of the concept proposals. The public comment period had been closed but the Authority was requested to review and make comments to SWRCB before the Board took it up at its meeting in January to consider the approval of the list of selected projects. Comments were due by January 3. The program is jointly administered between the DWR and SWRCB. DFG and CALFED staff also participated in the review of the projects.

ITEM 8: STAGE 1 DECISIONS AND PLANNING FOR STAGE 2 ACTIONS
(Information Item)

Director Joe Grindstaff delivered a detailed presentation on the importance of the Delta, the end of Stage 1 assessment and decision process, and the future decisions and how they may influence Stage 2 implementation.

Following Director Grindstaff's presentation, Ms. Daniels asked if there has been consideration as to reducing the need for exports from the Delta to other regions. She felt that an important element of that is having enough funding for infrastructure for recycled water use to reduce reliance on water from the Delta and other sources. Director Grindstaff said that in the water supply reliability element, water use efficiency--not just conservation, but recycling and other projects that reduce demands--will all need to be considered.

Mr. Zuckerman noted the implications of climate change are not limited to just water supply, but also to flood control. Director Grindstaff agreed. Mr. Zuckerman continued that there is not an adequate flood control plan for the Central Valley and felt that urgency was greater than other things on the schedule.

Mr. O'Connor asked about how the timing and coordination among all of the efforts will work and what would happen if all efforts come up with different strategies. Mr. Bobker said he agrees that it is very complicated and that serious thinking is needed about what it is being asked from each effort and how one tiers off from the other. He felt a much more detailed flowchart is needed.

ITEM 11: PUBLIC COMMENT

No public comment was given.

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The joint meeting of the Bay-Delta Public Advisory Committee and the California Bay-Delta Authority was adjourned at 3:41 p.m.