

Meeting Summary
California Bay-Delta Public Advisory Committee (BDPAC)
Working Landscapes Subcommittee (WLS)
January 5, 2006; 9:00 am – 12:00 pm

Working Landscapes Subcommittee web site:

<http://calwater.ca.gov/BDPAC/Subcommittees/WorkingLandscapesSubcommittee.shtml>

Key Follow-Up Items

<u>Issue</u>	<u>Responsible Party</u>	<u>Completed yet?</u>
Review October meeting summary	Chair	No
Closure Report and Recommendations	Staff/Chair/Others	In progress

1. Introductions

Co-Chair **Vance Russell** convened the Subcommittee meeting at 9:10 A.M. A round of introductions was conducted. **Russell** said that the agenda would be rearranged to allow for the Farm Bill discussion item to begin at 10:30 am when Congressional staff would join the discussion over the phone.

2. Meeting Summary

Due to staff error, the wrong meeting summary was circulated. At the next meeting, the appropriate summaries will be circulated for review and approval.

3. Chair's Report

None.

4. Agency Reports

Delta Protection Commission (DPC). **Linda Fiack** announced that Congressman Mike Thompson will hold a town hall meeting in Clarksburg on January 6, 2006.

Department of Conservation. **Jeannie Blakeslee** announced that **Carolyn Baker** has been named as new Director of Legislation for the Department of Conservation.

State Water Resources Control Board (SWRCB)

Leslie Laudon with the Division of Financial Assistance reported that the guidelines for the next round of funding from the SWRCB Consolidated Grants had been adopted by the Board. A total of \$143 million will be available for a number of programs including the agricultural water quality grant program. Concept proposals will be due on February 9. The application consists of a brief on-line questionnaire. **Laudon** also commented that the Board's reporting requirements have become an area of contention. The SWRCB has approved alternate reporting requirements that would be applicable to the next round of agricultural water quality grants that have a research or demonstration emphasis. Copies of these guidelines were distributed. She announced that the SWRCB is also looking for grant reviewers. **Russell** inquired about rangeland projects. **Laudon** said the scope is broader than the prior grants program and that rangeland projects are eligible for funding. **Steve Shaffer** noted that he had heard that the SWRCB was beginning a regulatory

process to address water quality issues in rangelands similar to the ag waiver program for irrigated ag lands. **Laudon** said that that this is not her area of expertise, but offered to find the appropriate person to report at a future WLS meeting.

California Bay-Delta Authority (CBDA)- Ecosystem Restoration Program (ERP)

Jay Chamberlin gave an update on the ERP Proposal Solicitation Process (PSP) that closed on December 15, 2005. There were 23 responsive proposals for a total request of \$28 million, (\$9 million is available). The geographic locations of the proposals are as follows: seven in the Delta, six in the Bay region; fourteen from Sacramento Region and six from the San Joaquin region.

Administrative review is currently underway; regional reviews will be completed by the end of January. External scientific review will begin in April, with initial selection in May and final recommendations to the CBDA in August 2006.

Tom Zuckerman asked how previously aired concerns regarding agricultural participation in the ERP PSP review process is being addressed. **Chamberlin** said that the ERP has a wide net of reviewers and that California Department of Food and Agriculture (CDFA) had provided a number of contacts to diversify their list.

CBDA- Watershed Grants

Dan Wermiel reported that 130 concept proposals had been received for the \$ 9 nine million in available funds. Project recommendations will be made in late April/early May.

5. Status Report CALFED Bay-Delta Program

(**Joe Grindstaff** was called to the Governor's Office so **Wendy Halverson-Martin** made the presentation). **Halverson-Martin** said that CALFED had been undergoing various reviews over the last six months or so and that a 10-year Action Plan has been developed to address issues related to the management of the program. The Framework of the Plan had been released and is available on CALFED's web site. It is expected that the full plan will be released when the Governor releases the budget.

Halverson-Martin said that it is proposed that the current Bay-Delta Public Advisory committee (BDPAC) be reconfigured to a State Advisory Committee (as opposed to a Federally chartered committee) and focus more on policy using its subcommittees. It is uncertain if Working Landscapes Subcommittee would continue as a BDPAC Subcommittee or go to statewide basis.

She said it is also envisioned that new legislation would be necessary to move CBDA staff to the Resources Agency and to establish a new independent oversight body. The California Water Commission is currently being proposed as that

oversight body. Legislation would probably not happen until January 2007, so in the interim, CBDA and BDPAC will continue to function as they are now.

Zuckerman asked if regional subcommittees are under consideration. **Halverson-Martin** said yes but that they plan to engage CBDA and BDPAC on this issue.

Casey Walsh Cady inquired about the status of funding support from water users. **Halverson-Martin** said that the Authority had reached preliminary agreement with water users over a use fee plan. **Halverson-Martin** reported that CBDA will be working on the development of an MOU and follow-on documents. The water users will contribute to the Delta Vision process, the HCP/NCCP in the Delta, the species recovery fund, Pelagic Organism Decline (POD) and the Environmental Water Account.

Shaffer asked if Working Landscapes issues are part of the water user agreement. **Zuckerman** replied that from his perspective, levees, the delta vision and water quality in the delta are important WLS issues. But for most water users, their financial support is not a full-scale effort to embrace all of CALFED's programs and activities. Their primary interest is the Environmental Water Account and regulatory assurances affiliated with the Ecosystem Restoration Program.

It was asked what will happen to the federal staff? **Halverson-Martin** said CBDA staff (state/federal/contract) will move to Resources Agency.

Russell asked if any changes to the ERP are envisioned? **Halverson-Martin** said None at this time except for completing the transition to DFG as the state implementing agency.

Chamberlin gave an update on the status of the Working Lands Stewardship Advisory Council (WLSAC). He said that the Secretaries of Food and Agriculture and Resources have endorsed the idea and staff has discussed the idea with over 50 organizations and has received constructive feedback. By and large the stakeholders have been very supportive including the State Board of Food and Agriculture. He concluded that it is anticipated that the Council would be established early in 2006.

Tina Cannon suggested consulting with NOAA Fisheries. **Fiack** asked if it was premature to send letters of support and wondered if it would be beneficial for a resolution coming from Delta Protection Commission.

Blakeslee asked if there had been further consideration of reviving the Resource Conservation Commission (RCC). **Chamberlin** said that what is currently under consideration is an action by the two Secretaries to convene the WLSAC. In the future, if reformulating the RCC to reflect the approach of the WLSAC makes sense, it would likely require statutory changes. No legislative action is being proposed at this time. A modest budget for staff and per diem is being proposed.

It was acknowledged that there was still some uncertainty with respect to the role of CAL-EPA. **Kathryn Phillips** said the Ag Environmental Roundtable believes that CAL-EPA should be a co-chair of the council. **Shaffer** said that no decision had been made. CDFA is comfortable either way as long as they can be fully engaged.

6. Future agenda topics/Next Meeting Date

Russell suggested that the subcommittee not meet in February but there may be a need to have a focused meeting on future of the Subcommittee in March.

Chamberlin said that assuming the Governor's approval of the Working Lands Stewardship Advisory Committee, the first Council meeting could be convened in March.

Zuckerman said if CALFED has regional subcommittees we need to make sure that they have members of the WLSAC appointed to them. He does not see WLS continuing in the refocused CALFED program.

Fiack suggested that there should be a process for closure of this subcommittee. **Shaffer** suggested that the WLS provide policy guidance to CALFED as it moves forward, with recommendations and a recap of its successes.

Cannon said that she thought that there will be a natural connection with agencies and issues. But there are questions about how groups would update CALFED and the annual work plan.

March 2 was set for the final subcommittee meeting, pending WLSAC disposition. **Jeff Sutton, John Weech, Zuckerman** and **Russell** offered to work with staff to develop a final wrap-up report of the Subcommittee's accomplishments and recommendations to be forwarded to BDPAC.

Fiack also mentioned that there would be an opportunity to participate and bring a WLS perspective to the proposed Delta Visioning Process.

7. Conservation in the 2007 Farm Bill

Russell introduced this agenda item. He pointed out that this subcommittee has expressed interest in USDA Farm Bill for a few years and as the discussion around 2007 Farm Bill begins, the co-chairs thought it would be appropriate to discuss current developments as well as California's participation in past Farm Bills. **Dee Dee D'Adamo** and **Anne Cannon** with Congressman Cardoza's Office, **Mike Wakeman** and **Josh Rolph** with Congressman Pombo's office will be calling in shortly on the phone. **Ed Thompson**, American Farmland Trust, **Brian Leahy**, CA Association of Resource Conservation Districts and **Kathryn Phillips** with Environmental Defense will also give short presentations.

Anne Cannon led off the discussion. She believes it is difficult to say where Farm Bill is going owing to World Trade Organization negotiations. The recent talks in Hong Kong were not conclusive as to how the Doha round will be concluded, and there are many on Capitol Hill who would consider postponing the reauthorization of the Farm Bill until after 2007. However, Farm Bill hearings will be carried out in Washington DC and around the country in 2006. It is unclear how much unity will come out of these hearings. The speakers reported that Congressmen Cardoza and Pombo want to see changes; no matter what happens, California needs a cohesive message and we need it sooner than later, with everyone on the same page.

Rolph said they will proceed as if the Farm Bill would happen next year. **Wakeman** said that we need to make sure the conservation title works for California, he wants to see it tailored to fit California.

Dee Dee D'Adamo said that California is historically behind the curve on a unified Farm Bill position with its diverse interests. She said that **Cardoza's** message is for everyone to get on the same page as soon as possible. She noted that there are a number of different efforts currently underway – Western Growers Association is looking at it with respect to specialty crops, and a number of groups are interested in nutrition and conservation titles.

D'Adamo said that **Cardoza** believes that Farm Bill's Conservation Title can help achieve California environmental goals of improvements in agricultural water quality, agricultural drainage and ESA issues.

Cardoza is looking for leadership from stakeholders to drive the effort and is glad to work with the Agency Secretaries and have them involved as well.

Chamberlin asked about the Federal budget situation. **Anne Cannon** acknowledged that it is a problem, but this may work in California's favor. She explained that the public generally supports nutrition and conservation programs. There is not as much support for "pork" programs

Bundy asked how much influence can California have on Farm Bill.

Wakeman said we have a stronger position than we have ever had; the NFACT Coalition helped lay that initial groundwork. (NFACT refers to a coalition of states with a specialty crop focus worked together on the 2002 Farm Bill; including New Mexico, Florida, Arizona, California and Texas).

A. Cannon added that four members of the House Agriculture Committee are from California. With the nutrition community becoming engaged in Farm Bill policy she suggested that we need to turn the debate into people eating healthy foods. She said that funds redirected to nutrition and conservation will help avoid the World Trade Organization issues.

Shaffer acknowledged that CA still produces significant amount of commodity crops. He asked if there has been recognition of the nexus between conservation and energy titles.

D'Adamo said our challenge is that we don't want to send a "message of cut and run". She said California needs to find ways to address program crops; some program crops may fit better with nutrition and conservation than others.

A. Cannon said that it is absolutely critical that the Farm Bill recognizes cotton; the cotton growers are extremely well organized, and they need to be incorporated.

Shaffer asked what the strategy is that Cardoza plans to use to bring the entire California delegation along.

A. Cannon answered that that the Specialty Crops Caucus is one avenue, but we also will need to hear from urban members by reaching out to Los Angeles, San Diego, and San Francisco constituents.

Leahy noted that when they did a tour to urban legislators offices, they found a lot of support for conservation.

Anne Cannon said that her advice is to make it easy for the delegation to engage; have a hook and have consensus.

Russell thanked all of the congressional staff for their participation and invited them to stay on the line.

Ed Thompson then gave American Farmland Trust's (AFT) position on the 2007 Farm Bill. **Thompson** believes we have unprecedented opportunity for California and conservation. He added that major changes are coming, and not all of them are in our control. The WTO situation is a destabilizing influence and that eliminating market distorting programs will be a huge force. He also pointed out that the budget is a huge unknown.

Thompson said that currently the Farm Bill has \$15-30 billion for the commodity program; the amount for nutrition is twice that at \$30 – 60 billion. Funding for conservation has been struggling recently and has taken disproportionate hits. California produces 13% of nation's food and receives only 3% of federal funds through farm bill.

Thompson added that creating the opportunity for change will probably more sustainable in the long run. He said that during the 2002 Farm Bill, urban congressmen were disgruntled and tried an end-run around the agriculture committee. Their alternate version came very close to passing, and the California delegation was split.

Thompson said that the Farm Bill is a major priority for the AFT; AFT has developed three primary goals – 1) Make conservation more integral (as in Europe); 2) Ensure our agriculture can compete; new markets (link to nutrition, energy); and 3) ensure an adequate safety net for producers of all commodities (weather, markets, risk management).

AFT is holding producer listening sessions across the country, with leading agricultural economists. AFT will develop a policy options blueprint with potential solutions. AFT hopes that they will help people come together and keep all interested parties informed.

Rayne Thompson – California Farm Bureau Federation asked what type of risk management approaches AFT was considering.

E. Thompson said that they are currently looking at farmer IRA's and revenue assurances.

Carolyn Remick asked what happens if there is a delay on Farm Bill?

E. Thompson said if no agreements are reached in 2007 then the Farm Bill will revert back to the program as it was in 1949 which would bankrupt the country due to its generous approach to farm funding support. The Farm Bill could be extended for one more year, but Congress would have to take action to do so.

Brian Leahy gave a recent historical perspective on California and the Farm Bill. He said the Farm Bill began originally as a price support and supply control program. According to Leahy, over the last few years California has done well and a lot of the programs have made more sense for California; e.g. EQIP funding has risen. He added that as demand for conservation practices grows as they are being required to be accountable for farm chemicals, the need for funds will continue.

Chamberlin said that in terms of conservation fund expenditures to states, California ranks between second and third nationally across all programs except the Conservation Reserve Program, the largest conservation program. If CRP is factored in, CA drops to 12th overall based on FY 2005 allocations. The Conservation Reserve Enhancement Program (CREP) is a sub-program of CRP.

Zuckerman asked why California does not have a strong CREP program. **Shaffer** said that there seemed to be some intractable problems related to matching up state and federal dollars. He believes however that there is an opportunity with the proposed state infrastructure bond funding and language could help overcome these issues.

Leahy said that California is the first state to deal with the loss of the ag waiver. Federal agencies and the state have funds, but often there are too many requirements to easily use them in support of USDA programs. He added that if we are going to change agriculture we need some infrastructure and support from institutions such as

University of California research. Leahy noted that historically research efforts resulted in high production agriculture; we now need the same investment to improve the environmental performance of agriculture.

Tina Cannon said that there is a huge disconnect between agriculture and the environmental community efforts, and a good example relates to California's CREP. Several farm groups are litigating against a conservation easement project that represents part of the state's contribution to the CREP. There is need to resolve these kinds of issues if there is to be good cooperation over farm policy change.

Kathryn Phillips with Environmental Defense gave her organization's perspective. She said that she has learned a lot about agriculture and especially the pressures from regulations they are facing. She is interested in finding additional cost-share dollars like the Carl Moyer Program, and EQIP. She said there needs to be recognition that agriculture is different and needs assistance. She became the default Farm Bill person for Environmental Defense and wrote a memo on CRP rental rates, (the memo was circulated to see what we can do to improve California's position as part of a national strategy. Environmental Defense will be trying to get "micro-bills" introduced in California in an effort to build consensus. She reiterated the late start that California has on this issue, Iowa started in 2001.

Phillips said that in late 2005, Environmental Defense invited folks to get together to find those areas where there is consensus and flesh those out. They have worked up language for marker bill for California. Environmental Defense will start distributing language in mid-to late February and they will introduce a marker bill, which will help get California into the discussion. Forums and hearings will be held, other states have similar interests. She believes that California's air, pest and water issues will soon get to others.

Rayne Thompson said that Farm Bureau is looking at all of the Farm Bill's titles and that Farm Bureau represents all of agriculture. In terms of conservation, she said they would like to see additional funds for EQIP and additional ways to use those funds. She added that Farm Bureau membership recognizes change is coming and acknowledges the need to transition to "green box".

Leahy noted that California Roundtable on Agriculture and the Environment sent a letter to Congress that was instrumental in preventing cuts to EQIP this year; this group is exerting a positive influence.

Shaffer noted that **CDFA Secretary Kawamura** has also expressed his support for the rural development title. **Shaffer** said that this is one his top priorities as is the issue of invasive species.

Bundy said that we need to join together to get a balanced view. From his perspective, Farm Bill programs have not been of importance to riparian habitat restoration efforts along the Sacramento River.

Chamberlin asked how do these issues get carried on. He asked if the subcommittee like to make any recommendation to the Working Lands Stewardship Advisory Council once it is formed?

Zuckerman said that he felt that there was a need to prepare information for urban legislators.

Ed Thompson suggested a resolution be prepared asking the proposed WLSAC to reach out to urban legislators. He said that the biggest challenge would be the Los Angeles region.

Shaffer said there is a need to memorialize the contributions and interest of this subcommittee to the BDPAC.

Meeting Participants

Jeannie Blakeslee, CA Department of Conservation
Marina Brand, CA Department of Fish and Game
Burt Bundy, Sacramento River Conservation Area Forum
Casey Walsh Cady, CA Department of Food and Agriculture
Tina Cannon, CA Department of Fish and Game
Jay Chamberlin, CA Resources Agency
Linda Fiack, Delta Protection Commission
Erin Field, Western Growers Association
Camron King, CA Association of Winegrape Growers
Brian Leahy, CA Association of Resource Conservation Districts
Susan La Grande, California Cattlemen's Association
Leslie Laudon, State Water Resources Control Board
Carolyn Remick, Sustainable Conservation
Vance Russell, Vice Chair, Working Landscapes Subcommittee and Audubon California
Steve Shaffer, CA Department of Food and Agriculture
Bernice Sullivan, Friant Water Authority
Jeff Sutton, Family Water Alliance
Rayne Thompson, CA Farm Bureau Federation
John Weech, CA Farm Bureau Federation
Dan Wermiel, CALFED Watershed Program
Tom Zuckerman, Central Delta Water Agency

Via Phone

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