

Meeting Summary
California Bay-Delta Public Advisory Committee (BDPAC)
Working Landscapes Subcommittee (WLS)
October 6, 2005; 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>
Reconvene PILT Work Group	Ken Trott	No
Work Group Updates	Casey Walsh Cady	No
Llano Seco Presentation	Jeannie Blakeslee	Yes
Send WL Council PPT Presentation to WLS	Ken Trott	Yes

1. Introductions

Co-Chair **Denny Bungarz** convened the Subcommittee meeting at 9:10 A.M. with introductions.

2. Meeting Summary

The meeting summary of the August 4, 2005 were reviewed and approved with no changes. **Ken Trott** noted that he had received a note from Tom Zuckerman regarding July 2005 summary, those have been changed to reflect Zuckerman’s technical corrections.

3. Chair’s Report

a) Payment-In-Lieu-of-Taxes Discussion

Bungarz reported that with the CALFED refocusing effort currently underway, it is not the best time to bring up the Payment-In-Lieu-of-Taxes issue. (The Subcommittee presented recommendations on PILT at the BDPAC meeting in July 2005.). **Vickie Newlin** and **Burt Bundy** noted that several members of BDPAC and the Authority expressed interest in seeing the recommendations again, but agreed that waiting until after the year would be smart. **Ken Trott** will reconvene the working group to review, and possibly refine their original recommendations in light of BDPAC feedback.

b) Subcommittee Annual Priorities Work Groups -- Vance Russell

Goal I Work Group – Benefits of Agriculture to CALFED

Casey Walsh Cady reported that there have been phone conversations with members, but no formal meeting of the Work Group yet. **Al Medvitz** reported that the American Association for the Advancement of Science will hold its annual meeting in San Francisco in 2007. He said that there is a need to bring agricultural scientists into these scientific meetings and communicated with AAAS requesting the involvement of working lands expertise on the organization of panels on the costs and benefits that

agriculture has on wildlife habitat. He said that there are other opportunities for influencing the scientific underpinnings of the working lands approach.

Goal II Work Group – Barriers to Conservation

Vance Russell reported that the Work Group has met several times and is developing a working landscapes typology. The Work Group will brief Subcommittee when it is complete. The Work Group is also considering holding a workshop at the annual CARCD conference on barriers to conservation.

Shaffer announced that the September 2005 Scientific American contains a number of articles on agriculture and habitat restoration that may be pertinent.

Goal III Work Group – Mitigation and Assurances

Jeannie Blakeslee reported that the Work Group is focused on approaches to landowner assurances. This issue is unlikely to be resolved through the Subcommittee; however, there is potential to frame the issue and develop umbrella policy or issue concepts for guidance on a project-by-project basis. The Work Group is reviewing the 24 concerns listed in the Sacramento River Conservation Area Forum and looking at ways to organize concerns and offer alternatives to best address them. **Sutton** is in conversation with Ben Carter and Ryan Broddrick on the work that was done for the Sacramento River Conservation Area Forum under the Great Valley Center LEGACI grant.

Russell asked **Cady** to work with Work Group chairs for a written update from each of the three groups.

4. Agency Reports

Department of Conservation

Blakeslee reported on the Llano Seco conservation easement project. She said that the California Oak Foundation and the Northern California Regional Land Trust have submitted a proposal to the Wildlife Conservation Board (WCB) and the Department of Conservation (DOC) to purchase a conservation easement on approximately 4,099 acres in Butte County.

She noted that his project exemplifies the importance of encouraging and rewarding landowners that have made a commitment to integrate wildlife friendly farming practices with sustainable farming operations. As proposed, this project will protect the economic operation of prime agricultural land, provide a buffer for habitat critical to a multitude of special status species and facilitate the sustainability of an organic, grass-fed beef operation serving local Northern California markets.

Blakeslee said that without protection of this land, the proposed easement area has the potential to be converted to non-agricultural uses in the near future.

Bungarz requested that there be a full presentation on the project at the next meeting. **Blakeslee** said that she would work with project proponents to organize the presentation.

Department of Fish and Game.

Zeulak announced that the Dept. of Fish and Game and the California Bay-Delta Authority are seeking comments on proposed guidelines for identifying and selecting proposals as directed actions for the CALFED Ecosystem Restoration Program. He requested that the next Subcommittee meeting serve as one of two public meetings on the guidelines to accept public comments. The announcement can be found at: <http://www.dfg.ca.gov/html/erpgrantsnotice.pdf>.

Greg Hurner, Deputy Director of Legislative and External Affairs with the Department of Fish and Game said that the CALFED ERP PSP will be released on October 11, but that they are interested in the flexibility of having a process for directed actions, as well. He noted that there are some issues that are not well handled by a competitive PSP. Directed action proposals will be available for public review and comment, and DFG hopes that WLS could be avenue for review and comment.

Al Medvitz asked **Hurner** what steps has CDFG taken to assure that agriculture is involved and advising on potential projects.

Hurner said that CDFG has agriculture expertise and that the directed actions will be designed to be a collaborative based on cooperative partnerships. He said that DFG recognizes the role and importance of agriculture.

Brian Leahy expressed concerns about the potential for projects to affect adjacent landowners. He said that landowners want a better relationship between agriculture and CDFG. **Leahy** added that there is a perception that larger landowners are better able to access funds for easement opportunities than mid to small size growers. Medium size growers need to be able to participate. **Leahy** also cited a recent article in the LA Times , which highlighted the need for state conservation investment to document public benefits and deliverables.

Hurner agreed that there needs to be an extra level of scrutiny with directed actions. He pointed out that on the other hand, PSPs take a lot of time and resources to conduct, often with fewer resources ending up on the ground. He assured the Subcommittee that with appropriate oversight, directed actions can be a more efficient delivery mechanism.

Blakeslee asked if there would be outreach on how the process will work for the directed action guidelines. **Chamberlin** said that proposals will be posted for public review.

Jeff Sutton said that he would like to see the WLS Subcommittee have input on the directed actions to the extent possible. **Burt Bundy** said that having this group as a

review body was not appropriate because many of the Subcommittee will likely be applicants for directed action funding. He wondered if CDFA be involved in the review of directed action proposals. He also suggested that CDFA submit comments on the guidelines.

Steve Shaffer, CDFA said that directed actions have been used when a PSP does not elicit a response to a particular priority. Directed actions can expedite the selection process to a small extent. He sees a role for WSL to help sharpen those priorities and highlight those that have not been well addressed in a PSP.

Tina Cannon said that the purpose of the funds cannot be changed from the language of the bond. She emphasized that these funds are to assist farmers with implementing ecosystem restoration.

John McCaull thought that the WLS Subcommittee could help develop other tools as well, such as term payments for the acquisition of conservation easements.

Medvitz emphasized that the fundamental need of farmers is to be able to produce an income from their resources. He asked how this need can be addressed in these types of projects. He wondered whether there is a potential for bond funds to be used for revolving loans?

Chamberlin noted that the DFG proposal is for all ERP funds not just those Proposition 50 funds for assisting farmers with ecosystem restoration.

Jovita Pajarillo, US EPA, encouraged DFG to clearly spell out provisions regarding landowner confidentiality for those landowners receiving funds from the grants.

Sutton asked whether WLS will weigh in with comments on the directed action guidelines. **Cannon** suggested that members comment individually to WLS staff for the staff to compile and relay to DFG.

It was agreed that WLS could either comment directly to DFG, provide comments to WLS staff to pass along to DFG as a package, or bring to the WLS November meeting.

Blakeslee reported on a directed action proposal that DOC is submitting to DFG for a working lands easement in Tehama County. The proposal will be posted on the CBDA web site. She said that funding will come from the DOC Farmland Conservancy Program and the Wildlife Conservation Board's rangeland protection program (Proposition 40), but that there is still a gap in the funding needed and available through these sources that they hope to fill from the DFG directed action funds.

Sutton asked how much additional funds are needed and whether there was a tie-in with this project and M&T Ranch. **Blakeslee** replied that \$5 million is needed and that the project is not related to the M&T Ranch project.

Medvitz said that there is a conservation easement on his family's ranch and added that it is important that the easement agreements be written in such a way that they do not constrain an operator's ability to earn an income.

Bungarz said that this project has been scheduled to be presented at the next meeting where more questions can be asked.

5. Future of Working Landscapes Subcommittee

Ken Trott reported that because the growing recognition of the value of the Working Landscapes Subcommittee forum, CDFA and Resources Agency staff members were asked to provide options to the Secretaries of Food and Agriculture and Resources Agency for elevating the topic and a forum to discuss it to a statewide level (see minutes of August 2004). **Ken Trott** circulated a discussion paper describing options for creating such a statewide working lands forum, as well as a preferred alternative. Staff will be meeting with the respective Secretaries soon to discuss. **Trott** reviewed the options and preferred alternative and asked for input from the Subcommittee on the ideas presented. The following comments or questions were posed.

Rudy Rosen, Ducks Unlimited – The timing of this presentation seems to short-change the Subcommittee's opportunity to provide meaningful input before you meet with the Secretaries on October 11.

Cannon -- the proposed statewide entity should take a more holistic look at the working lands issues, and advocated that the purpose and scope of the entity be well-defined.

Mike Krug – Is this group capable of expanding to examine other issues, especially Farm Bill issues? Does the group even think that it would be useful to have higher level engagement?

Leahy – RCD's work on resource issues is statewide. CARCD and Reds see a desperate need for this entity. There is no concentrated arena where policies are carried out. Need a statewide approach as well as a vehicle for funding. Working lands people need a voice.

Medvitz – Emphasize the need for income-generating activities on farms and ranches. Is mining an appropriate activity to include under this venue? Rangeland should definitely be included. Agricultural land conversion must definitely be on this entity's agenda.

Trott – We will need a mechanism to interact with Federal partners.

John McCaull – Under the previous administration, there were attempts to coordinate Between Secretary Mary Nichols and Secretary Bill Lyons during Farm Bill. We need to continue this collaboration. We need the debate and buy-in at the highest levels.

McCaul -- California didn't get a significant share of Farm Bill because the state hasn't come together over this important policy. Unless land use issue is brought up, you won't get a significant increase in funds. Working Lands component needs to be in county general planning processes.

McCaul – RCD recognition at the state's local conservation partner must be part of the proposed entity's agenda. He also echoed Medvitz' opinion that agricultural land conversion must be part of the agenda and a way to bring real money to this problem.

Erik Vink – In favor of whatever the Secretaries embrace. Have not seen this level of cooperation, and would trust them to develop an approach that works for them.

Pajarillo – Suggested including urban community; this would be a way to build bridges with new partners. Also, don't overlook other titles of the Farm Bill. Agreed with McCaul that the role of RCDs must be recognized in the composition and work of the Council. Where is Cal-EPA on the Council; they should have a prominent role.

Dan Wermiel – One option considered was to combine this entity with the Watershed Subcommittee or its successor. However, the Watershed Subcommittee is well-supported by its current stakeholders; there would be strong resistance to change the structure and function of the Subcommittee as it currently works.

Chamberlin – Are the three purposes for the proposed Council on target. All agreed that they were appropriate.

Krug -- Resource protection has generally been accomplished through a regulatory model. The proposed Council is an opportunity for landowners to raise a working landscapes model of resource conservation to a cabinet level consideration. If WL model can be successfully implemented it may forestall the need for increased regulations. This could benefit landowners and the environment. Suggested including Cal-EPA in the Council at some level.

Carolyn Remick, Sustainable Conservation – Is not supportive of option number three, which would combine the proposed council with the Council on Biodiversity.

Chamberlin – How to interface with Biodiversity Council and related entities, such as the Watershed Subcommittee?

Sutton – Concerned about both adequately representing scope of interests on the working landscape without getting too broad in scope in the council's purpose. Wants to maintain progress and tracking of BDPAC Working Landscapes Subcommittee.

Medvitz – Supports option 1, formation by executive order, as long as the administration works towards codifying the proposed Council in Division 9 of the

Public Resources Code. Also, suggested maintaining both BDPAC WLS as well as a statewide Working Lands Council. Would favor supporting statewide Council with regional working lands councils to complement the CALFED WLS.

Pajarillo – Noted that the CA Association of RCDs already has a regional organization of RCDs that could serve the function of regional working lands input to the proposed Council.

Bernice Sullivan, Friant Water Users Association --- Noted that the State Water Plan proposes regional water basin planning and could also provide good regional “listening posts” for the proposed council. She suggested that membership of the council be small and include representation from each of the 10 water basins to foster an integrated approach. A smaller council could be supplemented by ad hoc work groups on special topics that report to the council.

Shaffer – Proposed that the council’s priority be to support an incentive-based private landowner approach with an eye towards creating an incentives-based regulatory overlay. He noted that Martha Davis had expressed to him her concern that the Council’s scope be focused on agricultural lands.

Leahy – Council needs teeth; regulators do not understand the nature of working lands and this council could help them do a better job of working with agriculture. He pointed to rice growers as having developed a model of one type of working landscape that regulators could learn from.

John Weech, Farm Bureau Federation – Concurred with Leahy about the need for some teeth with the Council.

Zezulak – Worries about polarization between regulators and working lands practitioners. Hopes that Council helps to build collaboration between them.

Rosen – Council members should include organizational representation from NGOs.

Cannon – Believes that the land use issue is the big issue for the Council to address, not the regulatory issues.

Medvitz – Believes that regulatory issues are big issues for working lands practitioners. Supports a prominent role on the Council for Cal-EPA.

Sutton – Agrees with Medvitz, Pajarillo and Krug about role of Cal-EPA and importance of regulatory issues.

Remick – Suggested that the three agency secretaries, including Cal-EPA, be co-chairs of the Council.

McCaul – Agreed with Remick.

Cannon – Agrees that agency members should be non-voting members of the Council.

Leininger – Urges membership of Council to include a good representation of growers; that its scope be focused; and, will support whatever Secretaries feel comfortable with proposing.

Holly King, Great Valley Center – The Council should engage land trusts, perhaps as a standing committee of the Council.

Camron King, CA Winegrape Growers Association -- Supports the formation of a WLS workgroup to take today's input and work with staff to put together coherent response to the Council proposal.

Pajarillo – Find professional consulting facilitator to guide the smaller work group and WLS discussion on the governance proposed.

Bungarz summarized the comments:

1. Option 1 seems to be consensus option of the WLS; and,
2. Maintain WLS as a BDPAC entity as well as form the statewide Council.

Sutton added let's send the message to the Secretaries to get this done.

Bungarz requested that staff send out PowerPoint presentation on Council to WLS membership. Trott said that he would do that.

6. ERP PSP Update

Chamberlin announced that Tuesday, October 11, would be the release date for the "Assisting Farmers" PSP. He announced that there would be five public workshops to roll the PSP out to the public.

Krug asked if regulatory assurance would be funded under the PSP. Chamberlin said that that was certainly one of the areas ERP hopes that the PSP funding will advance. **Krug** asked if individual landowners would be qualified to receive funding. Chamberlin said that Proposition 50 language prevents this, but that landowners can receive assistance through such agency or non-profit groups as RCDs.

7. Next Meeting Date

Bungarz announced the next meeting date as November 3, 2005.

8. Adjournment

Meeting was adjourned at 12:00 Noon.

6. Update on ERP PSP

7. Next meeting date and agenda

The next WLS is set for November 3, 2005 at CDFA Headquarters, Room to be determined.

8. Public Comment

None offered.

Meeting Participants

Paul Buttner, CA Rice Commission
Jeannie Blakeslee, CA Department of Conservation
Burt Bundy, Sacramento River Conservation Area Forum
Denny Bungarz, Co-Chair and Glenn County Supervisor
Casey Walsh Cady, CA Department of Food and Agriculture
Tina Cannon, CA Department of Fish and Game
Jay Chamberlin, CA Bay Delta Authority, Ecosystem Restoration Program
Linda Fiack, Delta Protection Commission
Emily Fransiskovich, CA Rangeland Trust
Gwen Huff, East Merced Resource Conservation District
Greg Hurner, CA Department of Fish and Game
Cameron King, CA Association of Winegrape Growers
Holly King, Great Valley Center
Mike Krug, CA Department of Food and Agriculture
Brian Leahy, CA Association of Resource Conservation Districts
Chris Leininger, Ducks Unlimited
John McCaull, Resource Landowners Coalition
Al Medvitz, Solano County Farm Bureau
Joe Navari, Ducks Unlimited
Vickie Newlin, CA Bay Delta Authority
Jovita Pajarillo, U.S. Environmental Protection Agency
Carolyn Remick, Sustainable Conservation
Rudy Rosen, Ducks Unlimited
Vance Russell, Vice Chair and Audubon California
Tracy Schohr, CA Cattlemen's
Steve Shaffer, CA Department of Food and Agriculture
Bernice Sullivan, Friant Water Users Association
Jeff Sutton, Family Water Alliance
Ken Trott, CA Department of Food and Agriculture
Erik Vink, Trust for Public Lands
John Weech, CA Farm Bureau Federation
Dan Wermiel, CALFED Watershed Program
Dave Zezulak, CA Department of Fish and Game