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Agenda Item: 7
Meeting Date: June 8, 2005

JOINT MEETING WITH BAY-DELTA PUBLIC ADVISORY COMMITTEE

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

April 13 and 14, 2005
Sheraton Grand Hotel
Sacramento, California

SUMMARY OF MEETING ACTION ITEMS

Resolutions

California Bay-Delta Authority Independent Science Board Nominee

The Authority approved Resolution 05-04-01 approving the nomination of Dr. Peter Goodwin to the Independent Science Board.

Department of Water Resources – Ecosystem Restoration Program Project Amendment

The Authority approved Resolution 05-04-02 approving an interagency agreement or amendment to an existing agreement with the Department of Water Resources for Hamilton City Flood Damage Reduction and Ecosystem Restoration Project, and authorizing the Director, or Designee, to process the approved agreement or amendment. (Proposition 204: \$1.02 million)

U.S. Fish and Wildlife Service – Ecosystem Restoration Program Project Amendment

The Authority approved Resolution 05-04-03 recommending approval of an amendment to an Ecosystem Restoration Program grant agreement with the U.S. Fish and Wildlife Service for continuation of a Sacramento River Juvenile Winter-Run Chinook Salmon Monitoring Project. (Proposition 204: \$619,266)

U.S. Fish and Wildlife Service – Ecosystem Restoration Program Project Amendment

The Authority approved Resolution 05-04-04 recommending approval of an amendment to an Ecosystem Restoration Program grant agreement with the U.S. Fish and Wildlife Service for continuation of a Salmonid Monitoring Program on Battle Creek. (Proposition 204: \$699,629)

Natomas Mutual Water Company – Ecosystem Restoration Program Project
Amendment

The Authority approved Resolution 05-04-05 recommending approval of an amendment to an Ecosystem Restoration Program grant agreement with Natomas Mutual Water Company for continuation and completion of Phase III of the American Basin Fish Screen and Habitat Improvement Project. (Proposition 204: \$500,000)

State Water Resources Control Board -- Water Recycling Funding Program

The Authority approved Resolution 05-04-06 recommending to the State Water Resources Control Board that it proceed with adoption of water recycling funding program ranking of projects for allocation of Proposition 50 grant funds and review and approval of applications. (Proposition 50, Chapter 7: \$42 million)

Department of Water Resources – Water Use Efficiency Program

The Authority approved Resolution 05-04-07 recommending that the Department of Water Resources proceed with the Proposition 50 Water Desalination Grant – 2005 Cycle Recommended Projects. (Proposition 50, Chapter 6a: \$25 million)

Action / Follow-Up Items

Chair Hunt directed staff to put issues related to proposed Shasta Dam enlargement on the agenda for the next BDPAC meeting. He also asked staff to help compile facts on the history of Shasta, the proposed raising of the dam and potential impacts on the Winnemem Wintu tribe.

Marc Holmes requested additional information on Central Valley Project contract renewals and any link with the expectation that Shasta will be enlarged. He also asked for more information on State legislation passed last year regarding sacred sites.

Chair Hunt directed staff to meet with Dan Nelson regarding concerns he raised about socio-economic impacts and environmental justice issues in rural communities when water is reallocated from agriculture to other purposes.

Jason Peltier asked for frequent updates on Frank's Tract studies, Delta Cross Channel reoperation studies and through-Delta conveyance studies.



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MEETING SUMMARY

13.1 CALL TO ORDER AND OPENING REMARKS

Gary Hunt, chair of the California Bay-Delta Authority and member of the Bay-Delta Public Advisory Committee (BDPAC), called the meeting to order at 9:13 a.m., April 13. Chair Hunt noted the joint meeting format and briefly reviewed the individual roles of the Authority and BDPAC. He said it would be the chair's responsibility to ensure the appropriate process is followed for separate votes by the Authority and BDPAC on action items.

13.2 ROLL CALL AND ESTABLISHMENT OF QUORUMS

Roll call was taken and a quorum was established for BDPAC; a quorum for the Authority was established later in the morning. Former Secretary of State Bill Jones was later introduced as a new public member of the Authority representing the San Joaquin Valley.

The following Authority members or designees were present for the meeting:

Public – Paula Daniels, representing the Southern California Region; Susan Kennedy, representing the San Francisco Bay Region; Alfred Montna, representing the Sacramento Valley Region; Bill Jones, representing the San Joaquin Valley Region; Marc Holmes, member-at-large; and Daniel Wheeler, member-at-large.

Bay-Delta Public Advisory Committee Representative – Gary Hunt

State – Crawford Tuttle, designee for Mike Chrisman, Secretary for Resources; Lester Snow, Director of the Department of Water Resources (DWR) and designee Joe Grindstaff; Ryan Broddrick, Director of the Department of Fish and Game (DFG) and designee Paul Stein; A.G. Kawamura, Secretary for Food and Agriculture (CDFA), and designee Steve Shaffer; Alan Lloyd, Secretary for Environmental Protection (CalEPA), and designee Jim Branham; and Dave Spath, designee for Sandra Shewry, Director of the Department of Health Services.

Federal – Jason Peltier, Deputy Assistant Secretary for Water and Science, U.S. Department of the Interior (DOI); Kirk Rodgers, Regional Director, Mid-Pacific Region, U.S. Bureau of Reclamation (USBR); Mike Aceituno, designee for Rodney McInnis, Regional Administrator, Southwest Region, National Marine Fisheries Services (NOAA Fisheries); Mark Charlton, Sacramento District Deputy District Engineer for Project Management, U.S. Army Corps of Engineers (USACE); Thomas Hagler, designee for Wayne Nastri, Region IX Administrator, U.S. Environmental Protection (USEPA); and Dave Harlow, designee for Steve Thompson, Manager of California-Nevada Operations Office, U.S. Fish and Wildlife Service (USFWS).

Ex-Officio – Senator Mike Machado for Senator Sheila Kuehl, Chair of the Senate Natural Resources and Water Committee, and designee Dennis O'Connor; Senator Bob Margett, Vice Chair of the Senate Natural Resources and Water Committee, and designee Justin Matheson; Assemblywoman Lois Wolk, Chair of the Assembly Water, Parks and Wildlife Committee, and designee Alf Brandt; and Ivan Altamura, designee for Assemblyman Michael Villines, Vice Chair of the Assembly Water, Parks and Wildlife Committee.

BDPAC Members in Attendance: Gary Bobker, The Bay Institute; Denny Bungarz, Glenn County; Tom Clark, Kern County Water Agency; Marci Coglianese, City of Rio Vista; Martha Davis, Inland Empire Utilities Agency; Greg Gartrell, Contra Costa Water District; David Guy, Northern California Water Association; Leslie Lohse, Paskenta Band of Nomlaki Indians; Robert Meacher, Plumas County; Barry Nelson, Natural Resources Defense Council; Dan Nelson, San Luis and Delta-Mendota Water Authority; Bill Pauli, California Farm Bureau Federation; Tim Quinn, Metropolitan Water District of Southern California; Michael Schaver, Big Valley Rancheria; Frances Spivy-Weber, Mono Lake Committee; Maureen Stapleton, San Diego County Water Authority; O.L. (Van) Tenney, Glenn-Colusa Irrigation District.

13.3 MEETING SUMMARY

It was moved and seconded to approve the February 9-10, 2005, Meeting Summary. Chair Hunt asked that the vote be left open until a quorum was established.

13.4 DIRECTOR'S REPORT

Director Wright reviewed the agenda for the next two days and said the order of some items was changed to devote much of the first day to finance issues. He referred to his written report and other materials contained in the meeting packet, including a summary of water-related legislation.

13.7 BULLETIN 160 UPDATE (INFORMATION ITEM)

Chair Hunt introduced Lester Snow, DWR Director, to provide an update on DWR's Bulletin 160, *California Water Plan Update*.

Mr. Snow noted the latest plan is a significant departure from previous versions of Bulletin 160 and the traditional way water supply planning was viewed in the past. He introduced Mark Cowin to walk through highlights of the plan.

Mr. Cowin said the plan has two broad purposes: to articulate a framework for California water policy and to provide information on current water supplies, water uses and potential future scenarios to assist the water community in water supply planning.

He said the update includes information on 23 resource management strategies and serves as a true strategic plan that lays out a framework with major foundational actions: using water efficiency, protecting water quality and supporting environmental stewardship.

It also includes two key initiatives – implementing integrated regional water management and improving statewide water management systems through actions such as maintaining facilities, implementing the CALFED Program, sustaining the Delta, improving flood management and implementing statewide water management programs.

Public hearings will be held in June on the update, and a final Bulletin 160 will be released in the fall. The entire plan is available at <http://www.waterplan.water.ca.gov>

Mr. Snow said DWR is exploring development of a California Water Resources Investment Fund to provide a sustainable source of funding for water infrastructure and programs. He said DWR intends to work with Authority members, legislators, stakeholders and others over the next few months to determine how best to move ahead with the concept. The Department would then take a proposal back to the Administration for consideration.

9-6 FINANCE PLANNING

Chair Hunt introduced the topic by acknowledging the tremendous effort by Authority staff and member agencies to continue developing and refining a finance plan for the CALFED Program. He recapped progress over the past few weeks to identify priorities, quantify available dollars and establish a timeframe for expending them. The product of that effort is a two-year financing plan designed to accomplish three things: identify programs that need to move forward to ensure CALFED remains balanced consistent with the Record of Decision (ROD), identify resources available for implementation, and set out a framework in the context of the larger 10-year finance plan.

He said he would invite and encourage comments on the financing plan as well as other financing alternatives. He noted that the Authority would not be asked to act on the plan at this time, but said he hoped difficult issues could be resolved over the next few weeks.

Kate Hansel, Authority Assistant Director for Finance and Policy, was introduced and briefly outlined events since the Authority adopted the long-term finance plan in December 2004 as a framework.

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She said the two-year plan was developed to focus the discussion on near-term needs and keep the process moving. The proposal outlines a scaled-down program that would cost about \$1.6 billion for two years and focus on near-term priorities including the Delta, ecosystem restoration, water management, science, and oversight and coordination.

Ms. Hansel noted that after two years, declines in funding are projected for several areas, including levees, science and ecosystem restoration. Bond funding would still be available for water quality and water management programs. She said Authority staff continues to work with water users and other stakeholders to pin down exactly how much bond funding is available.

The near-term plan identifies 24 percent of the costs as the local share, 11 percent as the water users share, 53 percent as the State's share, and 12 percent as the Federal share. Ms. Hansel said the State's share relies heavily on bond funds.

Chair Hunt asked whether there is agreement on program priorities for the next two years and how bond funds will be allocated.

Ms. Hansel said the plan estimates about \$551 million in State funding will be available for the next two years and that projection is seen as a pretty solid number.

Greg Gartrell, Contra Costa Water District, said that while there is general agreement about what is firmly available, a less clear issue is Proposition 50 and what ultimately will be available for CALFED-related programs.

Senator Machado said he appreciated the effort to zero in on the numbers, but noted that Senate budget staff have not been able to duplicate projections developed by the Authority or by stakeholders. He said the discussion should center on what the two-year proposal is and how to build a bridge between CALFED and the Legislature.

Director Wright said there is agreement on the \$551 million in State funding, but the rest is based on projections. It is difficult to estimate today how much bond funding will be available, and what the local match will be for various programs. He said the challenge is finding a way to move forward in the face of uncertainty over what's potentially available.

Several Authority and BDPAC members commented on the two-year proposal and asked questions about specific elements such as water user fees. A number of comments centered on what level of user funding would be realistic and whether it should be tied to additional assurances.

Tom Clark, Kern County Water Agency, said many water users are willing to talk about fees if they are tied to assurances. He suggested the issue be set aside for this year to allow time to reach agreement on key questions.

Michael Schaver, Big Valley Rancheria, asked specific questions about the proposed enlargement of Shasta Dam and requested additional information on the project. He said the proposed expansion would affect sacred sites in the planning area and asked if there is flexibility to accommodate sites that are sacred to the Winnemem Wintu and look into the feasibility of fish ladders.

Ms. Hansel said the Authority plans to continue discussions with agencies, stakeholders and the Legislature and will submit a proposal for the May revision of the Governor's Budget. Authority staff will develop a Federal funding request for Fiscal Year 2006 and will continue developing a longer-term sustainable funding strategy for the program.

Barry Nelson, Natural Resources Defense Council, referred to a recent letter signed by a number of organizations calling for a fundamental revisiting of CALFED's purpose in light of changing conditions. He introduced Jonas Minton, Planning and Conservation League, to describe important developments and issues they raise.

Mr. Minton said that in the five years since the ROD was signed, there have been sufficient assurances to allow exporters to increase the amount of water diverted from the Delta. During that time, he said, ecosystem health has declined. He displayed a chart showing that Delta smelt numbers have dropped and said several factors may be the cause. The factors include exports, water quality changes, exotic species and changes in the food web.

Mr. Minton noted that the finance plan includes programs to increase exports as part of the Delta Improvements Package, and cited one biological opinion that concluded the increase in pumping could increase direct take of salmon at the Central Valley Project and State Water Project pumps. He called for development of a science-based set of metrics to assess Delta health and serve as a pre-condition for increasing exports.

Gary Bobker, The Bay Institute, said given the uncertainties surrounding the health of Delta fish it would be counterproductive to increase exports. He noted that since the ROD was signed, the Program has not had the resources that were anticipated to address major fisheries problems. Less water has been available for the environment as well. He said the Program should prioritize actions that will improve hydrologic conditions and talk about deferring elements of the program that do not address key hydrologic conditions in the Delta and ecosystem water quality.

Bill Jones noted that many of the same issues were discussed a decade ago. Delta smelt numbers have gone down even when exports are low. He said additional storage is needed to add water to the system and improve water quality and water supply reliability for water users and the environment.

Several additional comments followed on the need to address the Delta and assign costs for programs such as building additional storage.

Lester Snow noted that salmon populations are doing quite well and that an interagency science group is looking at Delta fish health and possible causes for the recent decline in some species. He said that under the current schedule for the Delta Improvements Package, any increases in permitted pumping would not come on line until 2007-08, meaning there is time for a robust scientific effort to understand Delta conditions.

Senator Machado said he was disappointed with progress to date on the finance plan and urged Authority staff to focus funding targets on the highest priorities. He said it was clear there is no agreement on short-term or long-term priorities, and called on all parties to engage in an honest discussion of the long-term objective of CALFED given the reality of resources available today. He said he would recommend that the Legislature approve a one-year life support budget to fund minimal CALFED activities while work begins on a real budget for 2006-07.

Alf Brandt, Chief Counsel to the Assembly Water, Parks and Wildlife Committee, said there are similar concerns on the Assembly side and a one-year life support budget is the most likely scenario.

A recess was taken for lunch as 12:10 p.m.

Chair Hunt reconvened the meeting at 1:10 p.m.

Greg Gartrell presented budget figures developed by his agency indicating that about \$1 billion in bond funding is available for CALFED-related programs. He suggested that CALFED could accomplish its key priorities for about \$4.6 billion to \$5 billion over the next 10 years, compared with the \$8 billion cost identified in the 10-year finance plan approved by the Authority in December, if the right decisions are made to reallocate some funds and defer less important activities.

Several Authority and BDPAC members asked questions and commented on Mr. Gartrell's numbers and related issues.

Ms. Hansel said she has been working with urban water agencies to refine and reconcile various budget estimates. She said Mr. Gartrell's numbers assume different estimates for Federal funding, for example, and reallocate State money away from programs such as science and ecosystem restoration.

Chair Hunt said if the Program can achieve its goals, the identified funding is in fact available and the Legislature can live with it, the \$5 billion program might be the way to go.

Public Comment

- Allen Lind, Sacramento Municipal Utility District, commented on a potential water storage fee to fund CALFED. He said SMUD already contributes to ecosystem

restoration programs through the Central Valley Project and would not want to pay twice.

- Randy Kanouse, East Bay Municipal Utility District, said his district is supportive of coming up with a credible finance plan and called for an evidentiary process to determine who benefits from each component of the CALFED Program. He suggested a process utilizing administrative law judges could be put in place to give an opportunity for all groups to put evidence in the record.
- David Nesmith, Environmental Water Caucus, said the two-year finance plan is focused on storage investigations and conveyance and reflects an absence of consultation with the Environmental Water Caucus. He urged the Authority to listen to the concerns expressed earlier by Senator Machado and Jonas Minton.
- Mindy McIntire, Planning and Conservation League, said any finance plan should start with priorities. She referred to the earlier presentation by Mr. Minton and said a top priority should be recovery of fisheries in the Delta. She suggested that any efforts to move forward with a finance plan should be open and transparent and include all stakeholders.
- Ryan Bizera, an attorney representing Sacramento Valley interests, stated that it is important for projects funded by the Authority or by bond funds to actually be implemented. He cited a case in which water agencies received grants but are unable to proceed with their projects because they involve injecting drinking water into groundwater aquifers. He said that while it would be preferable to resolve the issue administratively, legislation has been introduced (SB 773 – Cox) to allow the projects to move ahead. He asked for the Authority's support.
- Michael Wharburton, Public Trust Alliance, said the ability to represent public interests in water issues is being challenged. He noted that the people of California own the water, but somehow members of the public have a hard time being represented in certain forums.
- Gary Mulcahy, Winnemem Wintu tribe, said he was concerned that a representative of the Environmental Justice Subcommittee was not at the table. He asked that Dr. Henry Clark, acting subcommittee chair, be given a seat at the table. He also reminded the Authority that water is part of the people's trust and not an asset that can be moved around and traded.

Director Wright said Dr. Clark would be invited to the table during discussion of the program plans.

Several Authority and BDPAC members made additional comments on finance plan issues and the availability of bond funds.

Chair Hunt said agreement on a financial plan might be closer than people think. He said the discussion over the next 30 to 60 days should center on priorities, core programs and the process to collect dollars.

Gary Bobker commented that the viability of the Science Program is in doubt due to contracting issues that have yet to be resolved. Given the critical need for science to help understand what is happening in the Delta and how certain actions may affect the environment, he said the program is more important than ever.

Johnnie Moore, Lead Scientist, said there may be some alternatives and noted that the staff is doing what it can to continue operating.

The meeting recessed for the day at 2:53 p.m.

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April 14, 2005

14-1 CALL TO ORDER AND INTRODUCTORY REMARKS

The meeting was called to order at 9:15 a.m. on April 14, 2005. Chair Hunt recapped some of the discussion from the previous day and said the first item taken up would be Item 13-9 dealing with program plans.

14-2 ROLL CALL AND ESTABLISHMENT OF QUORUM

Roll was taken and a quorum was established for BDPAC and shortly thereafter for the Authority. The following Authority members or their designees were present:

Public – Paula Daniels, representing the Southern California Region; Susan Kennedy, representing the San Francisco Bay Region; Bill Jones, representing the San Joaquin Valley Region; Alfred Montna, representing the Sacramento Valley Region; Marc Holmes and Daniel Wheeler, members-at-large.

Bay-Delta Public Advisory Committee Representative – Gary Hunt

State – Crawford Tuttle, designee for Mike Chrisman, Secretary for Resources; Lester Snow, Director of the Department of Water Resources (DWR) and designee Joe Grindstaff; Ryan Broddrick, Director of the Department of Fish and Game (DFG) and designee Paul Stein; A.G. Kawamura, Secretary for Food and Agriculture (CDFA), and designee Steve Shaffer; Alan Lloyd, Secretary for Environmental Protection (CalEPA), and designee Jim Branham; and Dave Spath, designee for Sandra Shewry, Director of the Department of Health Services.

Federal – Jason Peltier, Deputy Assistant Secretary for Water and Science, U.S. Department of the Interior (DOI); Kirk Rodgers, Regional Director, Mid-Pacific Region, U.S. Bureau of Reclamation (USBR); Mike Aceituno, designee for Rodney McInnis,

Regional Administrator, Southwest Region, National Marine Fisheries Services (NOAA Fisheries); Mark Charlton, Sacramento District Deputy District Engineer for Project Management, U.S. Army Corps of Engineers (USACE); Karen Schwinn, designee for Wayne Nastri, Region IX Administrator, U.S. Environmental Protection (USEPA); and Dave Harlow, designee for Steve Thompson, Manager of California-Nevada Operations Office, U.S. Fish and Wildlife Service (USFWS).

Ex-Officio – Senator Mike Machado for Senator Sheila Kuehl, Chair of the Senate Natural Resources and Water Committee, and designee Dennis O'Connor; Justin Matheson, designee for Senator Bob Margett, Vice Chair of the Senate Natural Resources and Water Committee; Alf Brandt, designee for Assemblymember Lois Wolk, Chair of the Assembly Water, Parks and Wildlife Committee; and Ivan Altamura, designee for Assemblymember Michael Villines, Vice Chair of the Assembly Water, Parks and Wildlife Committee.

BDPAC Members in Attendance: Gary Bobker, The Bay Institute; Denny Bungarz, Glenn County; Tom Clark, Kern County Water Agency; Marci Coglianese, City of Rio Vista; Martha Davis, Inland Empire Utilities Agency; Greg Gartrell, Contra Costa Water District; David Guy, Northern California Water Association; Leslie Lohse, Paskenta Band of Nomlaki Indians; Robert Meacher, Plumas County; Barry Nelson, Natural Resources Defense Council; Bill Pauli, California Farm Bureau Federation; Tim Quinn, Metropolitan Water District of Southern California; Michael Schaver, Big Valley Rancheria; Frances Spivy-Weber, Mono Lake Committee; O.L. (Van) Tenney, Glenn-Colusa Irrigation District.

Director Wright took a moment to recognize Dan Castleberry, who is leaving his position as Ecosystem Restoration Program Manager to take a post with the U.S. Fish and Wildlife Service.

Ryan Broddrick, Director of the Department of Fish and Game, presented Mr. Castleberry with the Authority Director's Award in recognition of his years of exceptional service to a program that operates under great scrutiny, peer review and stakeholder review.

13-9 PROGRAM PLANS (INFORMATION ITEM)

Tim Ramirez, California Bay-Delta Authority, was introduced to provide a brief overview of the program plans that serve as a foundation for the two-year finance plan discussed the previous day.

Mr. Ramirez noted that BDPAC subcommittees are currently looking at the program plans and will bring them back to the Authority in June for consideration. He identified 2005 priorities and said key program elements are being integrated in the areas of Delta activities, water management, ecosystem restoration, science, and oversight / coordination.

He pointed out that Delta-related activities are being viewed in a larger context. Studies for Frank's Tract, Delta Cross Channel reoperation, and through-Delta conveyance are being grouped together in one schedule to allow for an assessment of how the through-Delta approach to conveyance is working. He noted that a briefing on Delta-related activities was scheduled later on the agenda.

Chair Hunt encouraged Authority and BDPAC members to read the program plans to get a broader understanding of priorities as they relate to the finance plan.

Marci Coglianesi, City of Rio Vista, encouraged people to read the Delta Levee Integrity Program Plan in particular. It shows that the program will be out of money for maintenance and improvement in Year 7, which coincides with the sunset of the Delta levee subvention program. She said the Delta risk study now underway by DWR has become more costly, requiring more money from the actual maintenance and improvement to be reassigned to the study.

Don Kurosaka, DWR, was introduced to provide a briefing on Frank's Tract, Delta Cross Channel reoperation, and through-Delta facility issues. He said the common denominator in all three is water quality improvement, and the potential for making fisheries improvements as well.

Mr. Kurosaka outlined current activities aimed at addressing hydrodynamics, fish protection and salinity. He noted that better models are needed to assess impacts related to water quality, flows and fish movements. A regional fish study is planned for 2006, and final recommendations should be issued by 2007 or 2008.

Director Wright noted that the studies will lead to a reassessment of how the Program is doing with the through-Delta approach. The ROD calls for the assessment to take place at the end of Stage 1. He noted that since many elements are not yet in place, it will take a few years to fully assess how the approach is working. The hope is to bundle the studies, along with the Delta levee study, and assemble all the pieces to determine whether the through-Delta approach is working.

Jason Peltier said the Delta is the single most important facet of the Program and asked for frequent updates on the studies.

Tom Clark said Frank's Tract offers one of the better opportunities to improve Delta water quality and suggested that Proposition 50 funds be used to help fund the studies. He noted that the beneficiaries of effort would be broader than State Water Project customers only.

13-5 LEAD SCIENTISTS REPORT

Zach Hymanson, Authority Science Program Manager, was introduced to provide highlights of the Science Program plan. He described major activities and needs, and said the Program would be winding down over the next four years without additional funding.

Marci Coglianesi requested a presentation on the Bay-Delta Science Consortium to familiarize Authority and BDPAC members with its activities.

Mr. Hymanson noted that funding for the consortium is being eliminated.

Paula Daniels said she wanted to emphasize that funding for the Science Program must be a high priority.

Henry Clark, Acting Chair of the Environmental Justice Subcommittee, said his subcommittee would like to highlight what is going on with science and show the connection between science and environmental justice.

Chair Hunt noted that as the finance plan is developed, it will be critical to ensure that the dollars allocated to science are linked to the priorities identified for the coming years.

Dr. Moore provided an update on Independent Science Board activities in areas such as levees, monitoring, modeling, performance measures, and developing a science agenda and strategic plan. He noted that CALFED agencies are developing a joint response to the Environmental Water Account (EWA) technical review and will bring it to the Authority in June or August.

Dr. Moore also updated the Authority and BDPAC on the Proposal Solicitation Process now underway for the Science Program. He said 140 proposals were received and are now out for external scientific review. Approximately \$18 million in funding has been allocated.

The schedule calls for the selection panel to make recommendations in mid-May for public review and comment. Funding recommendations will be brought to the Authority in August.

Several Authority and BDPAC members asked questions about proposed projects and how much funding will be allocated for grants versus directed actions.

Comments also centered on the EWA review and how to best target science efforts to provide information for policy decisions.

Perry Herrgesell, Department of Fish and Game, was introduced to provide an update on the interagency effort to study possible causes of a decline in the number of some Delta fish species.

Dr. Herrgesell noted that the Authority and BDPAC heard a presentation in February on data indicating that four Delta fish species have declined in number. Since that time, the Interagency Ecological Program (IEP) has formed a working group to spearhead an effort to look at data and confirm both long-term and recent changes. The group is

developing a work plan focusing on three major areas: exotic species effects, water project effects and toxic effects.

Dr. Herrgesell said the group hopes to provide answers about the relative importance of these three stressors in the Delta system and will add new components as needed. The effort will cost about \$1.5 million this year and could require additional water from the EWA to gauge effects on smelt and larval fish.

The group will look at four species this year: Delta smelt, striped bass, silverside and zooplankton. Activities include expanded monitoring, increased data analysis and other studies to look at the effects of flow changes and key toxins such as pyrethroids and other herbicides. Dr. Herrgesell said the group hopes to screen out possible culprits in the first year and then further refine the investigative effort.

Several Authority and BDPAC members commented on the update and voiced support for the work plan.

Chair Hunt said there appears to be more at issue than just exports and noted that it does a disservice to the Authority and BDPAC when only one perspective is presented on a complicated topic without the proper context. He urged all stakeholders to look at the whole picture and refrain from oversimplifying issues by focusing on just one component.

Dr. Tom Dunne, Chair of the Independent Science Board, was introduced to highlight two key areas the Board is focusing on. The first is levee stability and implications for other program areas. The second is environmental monitoring and data assimilation, with a particular focus on how data can best be shared and assimilated across various agencies.

NOMINATION OF INDEPENDENT SCIENCE BOARD MEMBER (ACTION ITEM)

RESOLUTION 05-04-01. Approving the nomination of Dr. Peter Goodwin to the Independent Science Board.

It was moved and seconded that the Authority approve the nomination of Dr. Peter Goodwin to the Independent Science Board. The motion was approved unanimously by the Authority.

13-3 MEETING SUMMARY

Chair Hunt asked to return to the motion from the previous day to approve the February 9-10 meeting summary **as amended**. The motion was approved unanimously by the Authority and BDPAC in separate votes.

14-6 GRANT AND CONTRACT APPROVALS / PROPOSAL SOLICITATION PROCESS (ACTION ITEMS)

The proposed amendments to existing projects were presented for approval as follows:

A) ERP Project Amendments

- 1) Ecosystem Restoration Program – Department of Water Resources. **Resolution 05-04-02.** Approving an interagency agreement or amendment to an existing agreement with the Department of Water Resources for Hamilton City Flood Damage Reduction and Ecosystem Restoration Project, and authorizing the Director, or Designee, to process the approved agreement or amendment. (Proposition 204. \$1.02 million.)
- 2) Ecosystem Restoration Program – U.S. Fish and Wildlife Service. **Resolution 05-04-03.** Recommending approval of an amendment to an Ecosystem Restoration Program grant agreement with the U.S. Fish and Wildlife Service for continuation of a Sacramento River Juvenile Winter-Run Chinook Salmon Monitoring Project. (Proposition 204. \$619,266.)
- 3) Ecosystem Restoration Program – U.S. Fish and Wildlife Service. **Resolution 05-04-04.** Recommending approval of an amendment to an Ecosystem Restoration Program grant agreement with the U.S. Fish and Wildlife Service for continuation of a Salmonid Monitoring Program on Battle Creek. (Proposition 204. \$699,629.)
- 4) Ecosystem Restoration Program – Natomas Mutual Water Company. **Resolution 05-04-05.** Recommending approval of an amendment to an Ecosystem Restoration Program grant agreement with Natomas Mutual Water Company for continuation and completion of Phase III of the “American Basin Fish Screen and Habitat Improvement Project.” (Proposition 204. \$500,000.)

It was moved and seconded that the Authority approve Resolutions 05-04-02 through 05-04-05 regarding amendments to existing ecosystem restoration projects already approved by the Authority. The motion was unanimously approved by the Authority.

Director Wright presented the two remaining items for concurrence / approval by the Authority.

- B) Water Use Efficiency Program – State Water Resources Control Board, Water Recycling Funding Program. **Resolution 05-04-06.** Recommending to the State Water Resources Control Board that it proceed with adoption of water recycling funding program ranking of projects for allocation of Proposition 50 grant funds and review and approval of applications. (Proposition 50, Chapter 7. \$42 million.)
- C) Water Use Efficiency Program – Department of Water Resources, Office of Water Use Efficiency and Transfers. **Resolution 05-04-07.** Recommending to the Department of Water Resources that it proceed with the Proposition 50 Water Use Desalination Grant – 2005 Cycle Recommended Projects. (Proposition 50, Chapter 6 (a). \$25 million.)

Director Wright noted the grants involve bond money earmarked specifically for these purposes and said the proposed projects have undergone a high level of review.

Several Authority and BDPAC members asked questions about the grant programs.

Paula Daniels asked if there would be an opportunity to have a policy discussion about ocean desalination

Director Wright said the Authority looks at grant programs at two different points: early in the development of the PSP, and then later when funding is recommended for selected projects. He noted that was already done in the case of the desalination grant program, but that the issue could be discussed again in the context of Chapter 8 funding under Proposition 50.

Public Comment

- Alicia Dean, Environmental Justice Coalition for Water, expressed concern about prioritizing projects under Proposition 50, Chapter 7 that best serve disadvantaged communities. She asked that infrastructure rehabilitation projects be considered as part of the upcoming criteria for the next year in water use efficiency.

Lester Snow noted that all available funding in DWR's infrastructure rehabilitation program has been spent and said the Department is looking for other opportunities to fund projects.

There was a motion and second to approve the two resolutions on grants. The motion was unanimously approved by the Authority.

- D) Sater Supply Reliability Program – Department of Water Resources and State Water Resources Control Board. Tracie Billington, DWR, was introduced to provide an update on the Chapter 8, Proposition 50 Integrated Regional Water Management Grant Program. She said the PSP was issued in January, and the Department and the State Water Resources Control Board are in the process of holding applicant workshops. She said \$12 million is available for planning grants in the first cycle, including \$2 million for integrated coastal watershed management. About \$148 million is available for implementation grants. Approximately \$280 million is expected to remain for the second funding cycle.

Marc Holmes commented that the Chapter 8 program will be keenly watched and said it will be important that projects recommended for funding fulfill the goal of cutting across regions and integrating areas such as conservation, environmental restoration and groundwater management.

14-6 SUBCOMMITTEE REPORTS

Director Wright introduced Dr. Henry Clark, Acting Chair of the Environmental Justice Subcommittee, to present an issue on behalf of the subcommittee.

Dr. Clark said the Winnemem Wintu tribe had appeared before the Subcommittee asking for support in raising their concerns about the proposed Shasta Dam enlargement and its impact on their cultural sites. He referred to a letter from the

Subcommittee stating its support for the tribe and asking that their issues be heard and resolved.

Chair Hunt invited Gary Mulcahy, Winnemem Wintu tribe, to join Authority and BDPAC members at the table to discuss the issue.

Marc Holmes asked about the status of Dr. Clark's appointment to the Environmental Justice Subcommittee and as a member of BDPAC.

Paula Daniels asked what process might be used to deal with the Shasta project and its impact on the Winnemem Wintu.

Director Wright said the program plan for storage that will come before the Authority in June will include a schedule for studies on Shasta. He said it would be appropriate for Authority members to identify any elements they do not want to see continued. Another decision point is the California Environmental Quality Act / National Environmental Policy Act process that would be required to approve any proposal to raise Shasta Dam.

Mr. Mulcahy thanked Paula Daniels and others for helping to bring the issue forward. He said he did not believe the NEPA process could mitigate the situation for the Winnemem Wintu. He briefly outlined the history of Shasta Dam and the Central Valley Project, and noted various points at which the Department of Interior failed to do what it was required to do with respect to tribal lands and related issues.

He urged the Authority to recognize the difficulty facing tribes that are not federally recognized. He noted that the State Legislature last year passed a sacred sites bill that requires the Native American Heritage Institute to be consulted on public works projects that affect cultural sites. Although the bill does not apply to State agencies, he asked that Authority members support the people who would be affected by the project and agree not to spend any State money on Shasta studies until such time that the U.S. Bureau of Reclamation (USBR) fulfills its original promises.

Susan Ramos, USBR, said a feasibility study is expected to be completed for Shasta in 2008. The study would include an analysis of environmental issues, socio-economic issues and cultural issues.

Kirk Rodgers, USBR, said the study is congressionally authorized and noted that there would be elements that address the environmental justice component of the project. If the project were deemed feasible, it would have to go back to Congress for authorization, he said.

Chair Hunt said it was critical to understand the issues and facts involved. He suggested that the matter go on the agenda for the next BDPAC meeting for consideration.

Mr. Mulcahy said he would like clarification on what authority California has over the water conveyed by the Central Valley Project (CVP). He said he sees a lot of serious issues emerging with CVP contract renewals and enlargement of the dam and he would like to know under what authority USBR is able to manage the CVP and sell California water.

Mr. Holmes said he would like more information on CVP contract renewals and any link with the expectation that Shasta will be enlarged. He also asked for more information on the State law on sacred sites referenced by Mr. Mulcahy.

Chair Hunt asked legal counsel to help compile facts and requested a more in-depth discussion of the Shasta study process and what opportunities BDPAC and the Authority have to comment.

Paula Daniels said she hoped there would be regular communication with all parties.

Dan Nelson questioned whether socio-economic impacts in rural areas are studied adequately when water is reallocated from agriculture to other purposes. He asked whether environmental justice issues are looked at as closely in those situations.

Chair Hunt said further discussion was needed and suggested that staff meet with Mr. Nelson to understand the issue being raised.

Dr. Clark thanked Mr. Nelson for raising the issue and said he would like to bring as many viewpoints as possible to the table.

14-5 WORKING LANDSCAPES SUBCOMMITTEE

Denny Bungarz, Chair of the Working Landscapes Subcommittee, said he would bring the subcommittee report and its proposal to the next meeting. He announced that Vance Russell, Director of the Audubon California Landowner Society, will be the new Vice Chair of the Subcommittee.

No further public comments were received.

ADJOURNMENT

Chair Hunt adjourned the meeting at 1:10 p.m.