

DRAFT 7/29/15 - SUBJECT TO CHANGE
For Review and Adoption by the DSC at the August 27-28, 2015 Meeting

Thursday, July 23 and Friday, July 24, 2015
DELTA STEWARDSHIP COUNCIL
Holiday Inn Capitol Plaza
300 J Street
Sacramento, CA 95814

MEETING SUMMARY

Thursday, July 23, 2015

1. Welcome and Introductions

The meeting was called to order at 9:02 a.m., July 23, 2015, by Chair Randy Fiorini.

2. Roll Call – Establish a Quorum (Water Code §85210.5)

Roll call was taken and a quorum established at 9:03 a.m. The following members were present: Patrick Johnston, Randy Fiorini, Phil Isenberg, Aja Brown and Susan Tatayon and Frank Damrell. After roll call the Council recessed at 9:05 a.m. for the Closed Executive Session. Council member Mary Piepho arrived during Closed Executive Session.

3. Closed Executive Session – (Not open to the public.) (Action Item)

- a. **Personnel Matter: Lead Scientist Vacancy (Government Code §11126 (a)(1))**
- b. **Litigation: Delta Stewardship Council Cases, Coordinated Proceeding JCCP No. 4758 (Government Code §11126 (e)(2)(a), (e)(e)(B)(i))**

The Closed Executive Session convened at 9:07 p.m. and adjourned at 10:05 a.m., with Chair Randy Fiorini presiding.

4. Reconvene Open Session

Upon adjournment of the Closed Executive Session, the Delta Stewardship Council reconvened in Open Session at 10:10 a.m. Chair Fiorini stated that no action had been taken.

5. Adoption of the June 25, 2015 Meeting Summary (Action Item)

Chair Fiorini asked if there were any questions, suggestions or comments from the Council or public regarding the June 25, 2015 Meeting Summary. There were none.

Motion: (Offered by Isenberg, seconded by Piepho) to approve the June 25, 2015 meeting summary.

Vote: (7/0: Johnston, Isenberg, Fiorini, Piepho, Brown, Tatayon, Damrell) and the motion was adopted.

The video showing this vote can be found on the linked agenda at <http://www.cal-span.org/cgi-bin/archive.php?owner=DSC&date=2015-07-23&player=jwplayer> at 02:10.

6. Chair's Report

Chair Fiorini provided opening remarks. He said there were clear impacts of the worsening drought, demonstrated by increased fires and brown lawns, increased numbers of curtailment notices from the State Water Resources Control Board, and a marked improvement in conservation, particularly on the urban side in most areas of the State. Chair Fiorini briefed the Council on a Town Hall forum he attended in Modesto on July 15, sponsored by the Modesto Bee. Other participants included Felicia Marcus, Chair of the SWRCB; Assembly member Kristin Olsen; Sarge Green from Fresno State; and Jeff Cowin, a retired board member from the Modesto Irrigation District. Chair Fiorini asked if there were any questions from the Council and as there were none, he concluded with his report.

7. Executive Officer's Report

Executive Officer Jessica Pearson began her report by briefing the Council about a comment letter sent by staff to the U.S. Army Corps of Engineers regarding the Delta Wetlands Project – Supplemental Draft Environmental Impact Statement. Ms. Pearson said the project would divert and store water onto Delta islands then include environmental mitigation in the form of habitat restoration onto other Delta Islands. The comment letter is posted on the website at

<http://www.deltacouncil.ca.gov/sites/default/files/2015/07/Final%20DSC%20comment%20letter%20on%20DWP%20-%20DSEIS%20version%201%203%202015-07-17%20docx.pdf>

Ms. Pearson briefed the Council on four public meetings that are being next week on aspects of conveyance, storage and water project operations. Ms. Pearson said the staff was are working to outline a scope and schedule to guide their review of BDCP/WaterFix. Ms. Pearson said they were looking at a 45-day comment period but received word that it had been extended for another 60 days. This effort will be done working closely with the Delta Independent Science Board and Ms. Pearson said she expected to bring the draft comments to the Council in September or October for approval.

Ms. Pearson announced the Council hired a new Associate Information Systems Analyst, Mathew Shimizu. Next, Ms. Pearson turned to Chris Stevens who introduced Bethany Pane, Senior Staff Counsel, joining the Council from the State Water Resources Board. Mr. Stevens announced Cody Phillips' (the Council's legal intern) departure from the Council in a few days. Ms. Pearson recognized Lynn Darby; an analyst from the Council's Human Resources Office was retiring after 17 years with the Council and Gavin Landgraf the Council, Executive Fellow departure.

7b. Legal Update

There was no Legal Update provided at the meeting.

7c. Legislative Update

The Legislative Update was presented by Ryan Stanbra, legislative and policy advisor to the Council. Mr. Stanbra began with the legislative calendar, noting that July 17 was the deadline bills to pass out of the second house policy committees and the Legislature had adjourned for summer break and would return on August 17. Mr. Stanbra briefed the Council on bills of interest the Council staff has been tracking and concluded with a brief update on selected items of federal legislation. The Legislative Update Mr. Stanbra provided is posted on the Council

website at <http://www.deltacouncil.ca.gov/docs/delta-stewardship-council-july-23-24-2015-meeting-agenda-item-7c-july-legislative-update>.

Throughout the Legislative Update, Mr. Stanbra heard Council members' comments, answered questions and provided clarification.

7d. Quarterly Contract Update

Ms. Pearson noted the Quarterly Contract Update included with the meeting materials. The update covers the second quarter, April 2015 through June 2015 and is posted on the Council website at <http://www.deltacouncil.ca.gov/docs/delta-stewardship-council-july-23-24-2015-meeting-agenda-item-7d-quarterly-contract-update>.

Following the Executive Officer's Report, Chair Fiorini asked if there were any members of the public who wished to comment. There were none.

8. Contract Approvals

8a. Amendment to Receivable Agreement for Shore-based Treatment of Ballast Water Feasibility Study (Action Item)

Agenda Item 8a was presented by Dr. Rainer Hoenicke. Dr. Hoenicke said staff recommended the Council approve an amendment to an existing interagency agreement with the State Lands Commission that funds a study to evaluate a way to eliminate ballast water introductions of invasive species. Dr. Hoenicke briefed the Council on the study, originally approved by the Council in January 2014. The staff report for this item is posted on the Council website at <http://www.deltacouncil.ca.gov/docs/delta-stewardship-council-july-23-24-2015-meeting-agenda-item-8a-amendment-receivable-agreement>.

8b. Approval of a Contract with California Sea Grant to Fund Delta Science and Policy Fellows (Action Item)

Agenda Item 8b was presented by Dr. Rainer Hoenicke. Dr. Hoenicke said staff recommended the Council approve a new contract with California Sea Grant to support a 2015 Class of Science Fellows to conduct research on high priority topics and support up to eight policy fellows over the next two years to assist the Council's Science and Planning Divisions. The staff report and attached budget for this item are posted on the Council website at <http://www.deltacouncil.ca.gov/docs/delta-stewardship-council-july-23-24-2015-meeting-agenda-item-8b-approval-contract-california> and <http://www.deltacouncil.ca.gov/docs/delta-stewardship-council-july-23-24-2015-meeting-agenda-item-8b-attachment-1-budget>.

Following Dr. Hoenicke's presentation of both Agenda Items 8a and 8b, Chair Fiorini asked if there were any questions from the Council or public comments. There were none.

Motion: (offered by Damrell; seconded by Piepho) to approve to amend the interagency agreement with the State Lands Commission to receive an additional \$108,520 to repay Council costs associated with an existing contract to study the feasibility of on-shore treatment systems to eliminate ballast water introductions of invasive species.

Vote: (7/0: Johnston, Isenberg, Fiorini, Piepho, Brown, Tatayon, Damrell) and the motion was adopted.

The video showing this vote can be found on the linked agenda at <http://www.cal-span.org/cgi-bin/archive.php?owner=DSC&date=2015-07-23&player=jwplayer> at 34:52.

Motion: (offered by Piepho; seconded by Isenberg) to approve a new contract in the amount of \$1,996,000 with California Sea Grant.

Vote: (7/0: Johnston, Isenberg, Fiorini, Piepho, Brown, Tatayon, Damrell) and the motion was adopted.

The video showing this vote can be found on the linked agenda at <http://www.cal-span.org/cgi-bin/archive.php?owner=DSC&date=2015-07-23&player=jwplayer> at 35:32.

9. Lead Scientist's Report

Dr. Peter Goodwin presented the Lead Scientist's Report, covering a number of collaborative and science communications activities. The staff report for Agenda Item 9 is posted on the Council's website at <http://www.deltacouncil.ca.gov/docs/delta-stewardship-council-july-23-24-2015-meeting-agenda-item-9-lead-scientists-report>. Dr. Goodwin said that two posters from the Science Conference were displayed outside the meeting room and encouraged everyone to take a moment to look at them. After Dr. Goodwin concluded the Lead Scientist's Report, he invited Daniel Livsey, the Council's Sea Grant State Fellow, to discuss the *By the Numbers* report. *By the Numbers* is posted on the Council website at <http://www.deltacouncil.ca.gov/docs/delta-stewardship-council-july-23-24-2015-meeting-agenda-item-9-attachment-1-numbers-summary>.

Throughout the discussion of the Lead Scientist's Report, Dr. Goodwin heard Council members' comments, answered questions and provided clarification. Chair Fiorini asked if there were any members of the public who wished to comment on the item. There were none.

Following the Lead Scientist's Report, the Council took a break at 10:50 a.m. and returning at 11:00.

10. Conveyance, Storage and Water Project Operations

Executive Officer Pearson briefly explained the changes to the Bay Delta Conservation Plan (BCDP) and the implications to the Delta Plan, noting that the Council's role and relationship to the Administration's proposed WaterFix and EcoRestore had changed. Ms. Pearson said the reason the Council was discussing this issue now was because the change in the approach triggered a provision that was included in the Delta Plan to revisit the issue of conveyance and possibly take Council action to facilitate improved conveyance if the BDCP did not move forward as a natural communities conservation plan.

Ms. Pearson said that, because the Delta Reform Act required non-discretionary inclusion of BDCP into the Delta Plan if it met specific criteria, the Council during development of the Delta Plan was reluctant to include regulations or recommendations that were duplicative of the topics address in the BDCP. Ms. Person said she thought it best to address the interrelated pieces – conveyance, storage and operations – at this time and that her goal was to receive direction to develop a draft of principles to bring back at the August Council meeting for further direction and input.

Ms. Pearson then introduced Anthony Navasero, who explained how the panel discussion was to be focused and led the panel discussions of Agenda Item 10. Mr. Navasero said today's discussion was a continuation of the June Council meeting discussion on changes to BDCP

and the implications to the Council's Delta Plan and the development of guiding principles. Mr. Navasero said the presentations would focus on historical information provided to assist the Council about past efforts related to addressing conveyance, storage and water project operation issues and how the efforts had evolved or were unsuccessful. Three panels of experts were convened to speak on this item as well as offer insight. The staff report contained a problem statement developed to focus the panel discussion. The staff report is posted on the Council website at <http://www.deltacouncil.ca.gov/docs/delta-stewardship-council-july-23-24-2015-meeting-agenda-item-10-conveyance-storage-and-water>. Attachment 1, Chronologic Events of Conveyance, Storage and Water Project Operations and Attachment 2, Conveyance Storage and Operations Principles from the Delta Plan are posted on the Council's website at <http://www.deltacouncil.ca.gov/docs/delta-stewardship-council-july-23-24-2015-meeting-agenda-item-10-attachment-1-chronologic> and <http://www.deltacouncil.ca.gov/docs/delta-stewardship-council-july-23-24-2015-meeting-agenda-item-10-attachment-2-conveyance>.

Mr. Navasero introduced the first panel - John Kirlin, a board member of the Delta Vision Foundation and former executive director of Gov. Arnold Schwarzenegger's Delta Vision Blue Ribbon Task Force; Dr. Sam Luoma, a board member of the Save the Bay and former CALFED Lead Scientist; and Karla Nemeth, Deputy Secretary for Water Policy, California Natural Resources Agency.

Dr. Kirlin presented a PowerPoint that is posted on the Council website at <http://www.deltacouncil.ca.gov/docs/delta-stewardship-council-july-23-24-2015-meeting-agenda-item-10-powerpoint-presentation-public>. Dr. Kirlin's presentation provided a historical perspective on the State's attempts to solve some of the problems with conveyance, storage and reoperation.

Next, Dr. Luoma discussed bold actions that he said were needed and emphasized the increased appreciation of the complexity of water supply, groundwater depletion, ecosystem, economic implications, and climate change. Dr. Luoma said the problems we face today will not be solved but can be managed and the complexity of these issues should not lead to paralysis but rather provide an opportunity to learn, adjust and carefully evaluate issues as we move forward in the development of guiding principles. Dr. Luoma suggested moving incrementally, carefully evaluating as we go, especially with large engineering projects. Dr. Luoma concluded his remarks with two items he thought were missing from science efforts – collaboration and incorporation of the best minds of universities rather than turning to the agencies, foundations, and stakeholders and the development of systematic performance measures for the each of the dimension of problems facing the Delta.

The third panelist, Karla Nemeth provided the Administration's view of how the Delta Plan can best address the issues of conveyance, storage, and operations. Ms. Nemeth thanked the Council for engaging in this issue early as she said there is urgency. Ms. Nemeth spoke in the changes to aspects of the Bay Delta Conservation Plan and explained that there are now more tools on the table, including a water bond that provides significant investment opportunities as well as helping to stimulate local money for investment. Ms. Nemeth made brief comments on the Sustainable Groundwater Management Act that recommended looking at conveyance and what role conveyance plays in stabilizing water supplies. Ms. Nemeth briefly discussed issues including making conveyance more seismically secure, climate change, and on the ecosystem side, finding solutions for flow problems that a conveyance proposal is meant to fix, such as reverse flows in central Delta. The efforts Ms. Nemeth described require operational flexibility, transparency and Ms. Nemeth echoed Dr. Luoma's comments regarding collaborative management.

After the first panel concluded, the Council recessed for lunch at 12:45 p.m. and resumed the meeting at 1:30 p.m. and continuing Agenda Item 10.

Mr. Navasero introduced the second panel. Jeffrey Mount, Senior Fellow at the Public Policy Institute's California Water Policy Center and founding director of the Center for Watershed Sciences at the University of California, Davis; Gary Bobker, Program Director for the Rivers and Delta Program at the Bay Institute; and Maurice Hall, former Science Lead for the Nature Conservancy's California Water Program.

Dr. Mount provided insights on how the guiding principles could address the problem statement from the science perspective and said the Council already had the tools, the development of the Delta Plan and its core principles. However, Dr. Mount said the core principles had over prescribed everything (in the Delta). He said a solution would be to keep it simple. Dr. Mount said it was important to have the governance that will guide the principles and felt that was not yet developed.

Gary Bobker spoke next and provided insights on how the guiding principles could address the problem statement from the perspective of an environmental stakeholder. Mr. Bobker discussed what threshold should be used for conveyance projects and encouraged the Council to be flexible but specific on the actions but specific about the outcomes it was trying to achieve.

The last panelist, Maurice Hall, provided insights on how the guiding principles could address the problem statement from the perspective of an environmental stakeholder and said he echoed Mr. Bobker's remarks about flexibility. Regarding general principles, he suggested looking at projects and determining what environmental needs are necessary. Mr. Hall's definition of coequal goals was not maximizing either. He also said governance was needed to guide the principles and said that every project should have multiple benefits.

Mr. Navasero introduced the third panel – Tim Quinn, Executive Director of the Association of California Water Agencies, and Todd Manley, Director of Governmental Relations for Northern California Water Association.

Mr. Quinn provided insights on how the guiding principles could address the problem statement from the water agencies' perspective. Mr. Quinn's main point was integration and said conveyance and storage should not be considered in isolation. A suggestion he gave was to invest in the upper watersheds and said we should aim at solutions that do not maximize one coequal goal over another. He cautioned the Council not to think in silos.

The last panelist, Todd Manley gave the perspective of his agencies regarding water management. Mr. Manley discussed Sites Reservoir and the multiple benefits of increased storage and ecosystem restoration as well as increasing the efficiency of the system and echoed the comments Mr. Hall made about multiple benefits, local and regional. Mr. Manley made brief comments on the salmon recovery system and described a salmon recovery program done in partnership with agencies and stakeholders. He also described flood plain restoration and terrestrial habitat and the unique partnerships that have been developed for these efforts. Mr. Manley concluded his remarks and said he thought the overarching principle is how to continue to manage water in a sustainable manner.

At the conclusion of each of the three panel presentations, the panelists heard Council members' comments, answered questions and provided clarification.

Chair Fiorini asked if there were any members of the public who wished to comment on the item.

Public Comment – Agenda Item 10

Michael Jackson, attorney for CWIN, CSPA, and AquAlliance, thanked the Council for its work. He said he was happy the HCP and NCCP were dropped from the BDCP. Mr. Jackson said the Council will grapple with conveyance and operations for the next 100 years. Mr. Jackson said something was missing from the title of Agenda Item 10 – water - and suggested it should instead be called Water, Conveyance, Storage and Water Project Operations because water and water project operations are not the same thing. Mr. Jackson said he believes the more important document he has read is Bulletin 76, which identified the problems that we have today and contained solutions for those problems that we haven't seen. Mr. Jackson urged the Council to read the document. Mr. Jackson also explained how California's water system was originally meant to include all the rivers but because of the Wild and Scenic Rivers Act, they were not included. Mr. Jackson said we need a new water source and everything he knows about BDCP did not provide that nor was it designed to work in a drought situation.

John Mills, Office of John Mills, said he agreed with many of Mr. Bobker's comments. Mr. Mills urged the Council, as the lead agency, to step back and examine all the options. Mr. Mills said he believed parts of the Delta Plan were correct but the principles needed to be fleshed out and possibly expand the capacity of the Delta Plan, making the principles much more rigorous. Mr. Mills said the Delta ISB should also expand its role. He believes there should be a much more rigorous adaptive management program that will last 100-years and should include check-ins along the way to determine if it is working. Mr. Mills discussed climate change and modeling and asked when speaking of the big gulp, where the gulp was coming from and discussed the hydrology. Mr. Mills said looking at cumulative effects – there were many variables. He discussed integrating the natural infrastructure with the man-made infrastructure rather than trying to make the man-made infrastructure fit the natural infrastructure.

Chair Fiorini asked Dr. Goodwin for his thoughts on the panel. Dr. Goodwin said the Council is tasked with looking at a range of time scales, from as long as 100 years to more near-term and immediate objectives and these timescales only add to the complexity of coordinating what agencies are doing within their own silos and across the Delta. Dr. Goodwin emphasized in some ways there was a conflict in how the Council was structured to cover this range of time span and a challenge as the Council thinks about how they are going to adapt to their new responsibilities such as how the three ranges of time can be explored and included in a way that was intended. Dr. Goodwin closed by saying the National Academy's report said it's all about synthesis.

Chair Fiorini asked Mr. Navasero to provide closing remarks and said what we heard from the panelists today is as diverse as the problem statement is complex. Mr. Navasero noted the following regarding the problem statement: complexity cannot lead to paralysis, there is an urgency; during wet years, what are the big gulp conditions to allow for ecosystem recovery through system operations; and there might be a need to establish of environmental water rights as well as to investments in the upper watershed. The pillars regarding the guiding principles include taking the long-term view; the flexibility to handle uncertainties; the urgency

for action; seek authority when needed; learn as we go along; and integration of storage, conveyance and operations.

Mr. Navasero said the next steps include collecting any specific items the Council would like to include in a revised problem statement, prepare a revised statement based on today's discussion. Staff will prepare a staff draft of guiding principles to present to the Council, for further guidance, at the August meeting and then prepare and seek adoption of final guiding principles during the September Council meeting. Staff will seek the Council's direction on what type of amendment vehicle should staff be focused – recommendations and regulations to the current 2013 Delta Plan or for long range planning for the 2018 update of the Delta Plan.

11. Public Comment

Chair Fiorini asked if there were any members of the public wishing to address the Council. There were none.

The meeting adjourned for the day at 3:20 p.m.

Friday, July 24, 2015

12. Call to Order

The meeting was called to order at 9:00 a.m. with Chair Fiorini presiding.

13. Roll Call – Establish a Quorum (Water Code §85210.5)

Roll call was taken and a quorum established. The following members were present: Susan Tatayon, Patrick Johnston, Frank Damrell, Randy Fiorini, Phil Isenberg, Mary Piepho, Aja Brown.

14. Delta Flood Management Investment Strategy Principles (Action Item)

Chief Deputy Executive Officer Dan Ray, joined by Deputy Executive Officer Cindy Messer and Dustin Jones, presented Agenda Item 13. Mr. Ray provided opening remarks and said this item was an ongoing conversation over the past several months in which staff has provided updates on the development of the Delta levees investment strategy. The staff report for this item is posted on the Council website at <http://www.deltacouncil.ca.gov/docs/delta-stewardship-council-july-23-24-2015-meeting-agenda-item-14-delta-flood-management> and version 2 of the Delta Flood Management Investment Strategy Principles is posted at <http://www.deltacouncil.ca.gov/docs/delta-stewardship-council-july-23-24-2015-meeting-agenda-item-14-attachment-1-revised-draft>. Attachment 2, Comments received on the draft principles are posted at <http://www.deltacouncil.ca.gov/docs/delta-stewardship-council-july-23-24-2015-meeting-agenda-item-14-attachment-2-comments-received>. And, Attachment 3, DLIS Project Schedule is posted on the Council website at <http://www.deltacouncil.ca.gov/docs/delta-stewardship-council-july-23-24-2015-meeting-agenda-item-14-attachment-3-delta-levees>.

After Mr. Ray provided background information, he said staff recommends the Council adopt the revised Delta Flood Management Investment Strategy Principles as interim guidance, to be considered together with the State interests the Council identified in March, to guide the next steps in the development of the Council's Delta Flood Management Investment Strategy. The

Council may choose to reconsider the principles in light of results of stakeholder discussion and evaluation of alternative investment priorities using the project computer-supported decision support tool developed by ARCADIS and the environmental impact assessment, in its future considerations of the Delta Flood Management Investment Strategy. Working with Council member Johnston, staff prepared the revised principles that include revisions to address Council discussions from its June meeting and oral and written comments received from the public and stakeholders. Mr. Ray drew the Council's attention to Attachment 1, the Revised Draft Delta Flood Management Investment Strategy Principles and offered remarks of the reasoning for the changes in the revised document.

After Mr. Ray's discussion of the revisions, he turned to Council member Johnston for a more in depth discussion of the draft. Council member Johnston said the document was developed from the suggestions of Vice Chair Isenberg and Council member Tatayon to provide direction to ARCADIS on the Delta Levee Investment Strategy. He said he sees the draft document as a work in progress that will aim ARCADIS and the consultants in the direction the Council wants, which is to implement that portion of the law that says the Council is charged to set priorities, thoughtfully and clearly state some goals and principles that will guide investments rather than a continuation of Delta investments that are sometimes unclear as to why decisions are made. Council member Johnston said as the Council moves forward with other elements of the strategy, it would seem that these principles and guidance will ultimately be reviewed by the Council with other work, and with input from the scientific review. It was his hope we would end up with a strategy that included both principles and guidance and the other technical tools that are being developed in order to assess risk and assist the State in aiming its resources productively for flood protection.

After Council member Johnston's briefing, Chair Fiorini invited Council members to ask questions and provide suggestions for desired changes. Council member Johnston suggested bringing back the draft document as the Council discusses levee investment strategies at subsequent meetings, refining it to be consistent with the other work done by staff and the consultants. Chair Fiorini said he had the opportunity to sit in on the review process of the second draft and was aware of the extent to which staff and Council member Johnston went to incorporate the public comments received during the comment period. Chair Fiorini said he is satisfied the document reflected the sense of the Council, informed by the public and other agencies that have a stake in the process. Mr. Ray and Council member Johnston and Chair Fiorini heard Council members' comments, suggestions, answered questions, and provided clarification.

Dr. Goodwin provided his comments – regarding the timing of model development and guidelines. Dr. Goodwin said the purpose of the tool was to organize data and facts for display but it will not make decisions but will give the Council the data to enable it to make decisions in a very transparent and clear way. Dr. Goodwin said having the two processes in parallel allows ARCADIS and the consultants to know how the tool will be used.

Next, Chair Fiorini asked if there were any members of the public who wished to comment.

Public Comment – Agenda Item 14

Melinda Terry, California Central Valley Flood Control Association, displayed a map of the Delta and said when looking at the map it shows the primary and secondary zones which were established by the Delta Protection Act. Ms. Terry noted the majority of the middle was the primary zone where development is not allowed and development is allowed on the outer

perimeter, the secondary zone where growth has already happened. Ms. Terry thought it was important to look back, not just thinking of the coequal goals and the mandates from the Legislature as the coequal goals are additive and do not replace the other programs already in place. Ms. Terry said it is important to understand for Project levees, the Army Corps of Engineers had determined that most of the levees are not eligible for Federal rehabilitation funding so when damage occurs the cost will fall to the State. Ms. Terry gave examples of other legislation that was created as it recognized the infrastructure that was at risk. Ms. Terry said we need to try to protect a system and urged the Council to look at other agencies such as the Delta Protection Act as she had concerns that the principles may not be consistent with the Delta Protection Act's statutory responsibilities and offered her assistance in trying to do so.

Tony Berzinas, Bethel Island Municipal Improvement District, said he agreed the principles should be a very general outline and adopted in a manner that allows future amendments to clarify and further define as evolution requires. Mr. Berzinas had specific concern regarding the principles such as there was no priority for legacy communities. He said he thought Agenda Item 14, Delta Flood Management Investment Strategy Principles and Agenda Item 15, Reclamation District Funding and Financing can't exist as mutually exclusive. Mr. Berzinas thinks we need to look at protecting life and property but has a problem with how rural and urban areas were defined. He also said that, to date, no one has ever asked for data from BIMID and this troubles him because the principles are assumptive in nature not "boots on the ground" investigated. Mr. Berzinas urged the Council not to adopt the document as a hard principle and acknowledge that further amendments will be needed. Mr. Berzinas provided a copy of all comments made to date of the DLIS that are posted on the Council website at <http://deltacouncil.ca.gov/docs/delta-stewardship-council-july-23-24-2015-meeting-agenda-item-14-public-comment-tony-berzinas>.

Eric Vink, Delta Protection Commission, commended staff on version 2 and said most of the comments the Commission provided had been addressed. Mr. Vink said there is still tone that he does not agree with but for the most part, he thought the rough edges had been smoothed. Mr. Vink said he appreciates that the document is interim guidance and as ARCADIS completes their work, the principles document will allow amendments. Mr. Vink said he appreciated Melinda Terry's comments and said there is not urbanization in the primary zone and agreed there is too much urbanization in the secondary zone but this was not a failure of the Delta Protection Act. In the primary zone restoration and pre-restoration activities has taken place and expressed concern that it could leave a mistaken impression that the Delta Protection Act has not protected the primary zone. Mr. Vink commented on principle 9 and said he appreciated Mr. Ray's explanation of it but Mr. Vink still read it differently – saying if it is a non-project levee and you're not likely to receive federal support, you will not get State support. Regarding footnote 1, Mr. Vink does not want to have the impression that the legacy communities in the Delta have or intend to have 10,000 residents or more.

Following Public Comment Chair Fiorini and the Council recapped the revisions requested on the next version of the Principles document. *The video showing the Council's consensus may be found at <http://www.cal-span.org/cgi-bin/archive.php?owner=DSC&date=2015-07-24&player=jwplayer> at 1:15:10 – 1:18:24.*

Motion: (Offered by Isenberg, seconded by Tatayon) to adopt the principles and approaches with the provision that item 10 will be refined and brought back to the Council for consideration at the August meeting.

Vote: (7/0: Johnston, Isenberg, Fiorini, Piepho, Brown, Tatayon, Damrell) and the motion was adopted.

The video showing this vote can be found at <http://www.cal-span.org/cgi-bin/archive.php?owner=DSC&date=2015-07-24&player=jwplayer> at 1:18:47 – 1:20:05,

Ms. Messer and Mr. Jones provided an update on the other activities in the development of the Delta levees investment strategy. Ms. Messer made brief comments on the review of the proposed DLIS methodology by the Independent Scientific Review Panel and said she anticipated bringing a summary of the recommendations received to the Council in August. Next she updated the Council on the CEQA process, noting the Notice of Preparation was filed on May 28 and staff would prepare an Environmental Impact Report as part of the update to the DLIS. Regarding outreach and coordination, Ms. Messer said that staff will continue to meet with key stakeholders and technical experts to solicit input on the information being assembled as the project moves towards the analytical work phase.

15. Reclamation District Funding and Financing

Mr. Ray provided introductory remarks for Agenda Item 15 and introduced the Council's Executive Fellow, Gavin Landgraf, to present the report. Mr. Landgraf said the report that he and legal intern Cody Phillips prepared was at the request of the Council and discussed the funding authorities of the Delta reclamation districts as reported to the State Controller's Office. Throughout the discussion of the discussions of the reclamation district funding and financing, Gavin Landgraf and Mr. Ray heard Council members' comments, answered questions and provided clarification.

The staff report for this item is posted on the Council website at <http://www.deltacouncil.ca.gov/docs/delta-stewardship-council-july-23-24-2015-meeting-agenda-item-15-reclamation-district-funding> and Attachment 1 and Appendix A are posted on the Council website at <http://www.deltacouncil.ca.gov/docs/delta-stewardship-council-july-23-24-2015-meeting-agenda-item-15-attachment-1-report-delta>.

Chair Fiorini asked if there were any members of the public who wished to comment on this item.

Public Comment – Agenda Item 15

Melinda Terry, California Central Valley Flood Control Association, thanked the Council for preparing this report however she had concerns on the source of the data. Ms. Terry said the State Controller's Office may not be the best source for the data because it may be blending special projects and subvention monies. She said then ranking the islands according to funding skews the report. Ms. Terry said that Gill Cosio was the expert on this subject and suggested the Council talk to him and the reclamation districts about how to get more information on the funding sources. Ms. Terry gave examples of these blending of sources of funding. Ms. Terry said it was important to distinguish between the special projects and subventions funding. Ms. Terry explained that in the years noted in the report there were Proposition 1E and 84 funds with East Bay Municipal Utilities District investing and the a lot of money was spent but it was not a permanent amount, making assumptions on higher amounts incorrect. Ms. Terry requested convening a panel on this to try to sort out why and where the funding was coming.

Tony Berzinas, Bethel Island Municipal Improvement District, commented that missing from the report was the number of property owners. Mr. Berzinas said low population and low money so owners are not likely to vote for an assessment. Giving an example of this special district, Mr. Berzinas said they can't solicit support legally and may not have the ability to pay. Mr. Berzinas said it was a hardship to make investments and then wait to be repaid by the Subventions Program. Mr. Berzinas suggest the money should be provided up from in order to move forward with necessary work.

16. Single-Year Water Transfers and the Delta Plan

Item 16 was presented by Kevan Samsam. Mr. Ray made introductory remarks – he said this briefing was the first of several over the coming months to update the Council on the status of WR R15 and determine a course of action to address the single-year Transfers after Dec. 31, 2016. The staff report for this item is posted on the Council website at <http://www.deltacouncil.ca.gov/docs/delta-stewardship-council-july-23-24-2015-meeting-agenda-item-16-single-year-water-transfers>. Mr. Samsam presented a PowerPoint that is posted on the Council website at <http://www.deltacouncil.ca.gov/docs/delta-stewardship-council-july-23-24-2015-meeting-agenda-item-16-attachment-1-powerpoint>. Mr. Samsam also brought Attachment 2, a report from the Department of Water Resources on background and recent history of water transfers in California to the Council's attention. This report is posted on the Council website at <http://www.deltacouncil.ca.gov/docs/delta-stewardship-council-july-23-24-2015-meeting-agenda-item-16-attachment-2-dwr-document>. Throughout the discussions of Agenda Item 16, Mr. Ray and Mr. Samsam heard Council members' comments, answered questions and provided clarification.

Chair Fiorini asked if there were any members of the public who wished to comment on this item.

Public Comment – Agenda Item 16

Michael Jackson, Attorney for AquAlliance, described his client and gave an example of the rice farmers being paid to transfer water and in turn pump ground water, which he described as double dipping. Mr. Jackson said the agencies he represented asked the Bureau of Reclamation to do a long-term water transfer document and research to justify it but that was not done until the last couple of years leading to lawsuits. Mr. Jackson said people were concerned because the groundwater table was lowering and water was still being sent elsewhere. Other examples of concern were the possible extinction of the Delta smelt, water rights, curtailments, and flows that are transferred through the Delta and diverting water that is natural flow and denial of the riparians downstream. Mr. Jackson suggested convening a panel on this issue and they would like to be a part of the stakeholder panel to lay out why this issue is not easy and dangerous, especially at this time.

John Mills, Office of John Mills representing the Upstream Water Agencies, said his clients are all interested in transfers and said the changes in influences that have taken place since 2013 were unexpected to those in the water business. Mr. Mills said that they have found that the old upstream systems can't be repaired which has pushed upstream people to dramatic increases in water use efficiency as a result of the drought. DWR's Integrated Regional Water Management Program has resulted in a much more broad, stewardship, multi-agency regional approach to water problems than occurred before the drought and saved some of the upstream communities from running out of water. Mr. Mills spoke on the changing view of future water that was improving water resiliency along with the value of water. Mr. Mills posed questions in

the context of next steps to help guide the debate and urged the Council to think about them. Some questions posed by Mr. Mills included: is this going to be dealt with separately or related to BDCP; are there single-year transfers or sequences of single-year transfers that have been identified as problems and if so, should they be addressed in any new principles; conservation should be included in the efficient use of water; and will the policy reflect regional processes better. Mr. Mills said the changes that have occurred with the drought may change how single year transfers are treated as they will play an important role in the Delta as well as upstream.

17. Public Comment

Chair Fiorini asked if there were any members of the public who wished to make public comment.

Daniel Mora, circulated an open letter suggesting a solar project that could help alleviate some of the water management and water shortage issues. Mr. Mora's letter is posted on the Council website at <http://deltacouncil.ca.gov/docs/delta-stewardship-council-july-23-24-2015-meeting-agenda-item-17-public-comment-daniel-mora>.

18. Preparation for Next Council Meeting – Discuss (a) expected agenda items; (b) new work assignments for staff; (c) requests of other agencies; (d) other requests from Council members; and (e) confirm next meeting date – September 24-25, 2015.

The meeting adjourned at 12:40 p.m.