

Meeting Date: September 24, 2014

Page 1



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PROGRAM AND POLICY SUBCOMMITTEE MEETING SUMMARY REPORT

August 20, 2014

ATTENDEES

Quorum was established with the following subcommittee members present: Jim Provenza, Chair; Steve Chappell, and Mike Eaton.

MEETING SUMMARY

Election of New Chair: Dan Taylor was elected as the new chair of Program and Policy Subcommittee. Former chair Jim Provenza resigned because of his recent election as chair of the Conservancy Board. A new vice-chair was not selected.

Implementation Plan Update: Staff presented the significant highlights and changes in the Fiscal Year (FY) 2014-15 Implementation Plan (Plan) including:

- Projected grant funds for Conservancy projects in FY 2014-15 is \$1,545,760.
- The Conservancy identified an additional \$17.35 million for projects listed in the Plan. The estimated cost of the Restoration Hub is the largest contributor to this figure.
- Four new projects were introduced in the Plan, and one new emerging project. The four projects are:
 - Visualizing and Sharing Data Analysis, EcoAtlas, Project 2
 - Delta Watershed Initiative Network
 - Mercury Exposure Reduction Program
 - Delta Indicators Report (emerging project)

Staff also presented the 2014-15 expected outcomes and performance measures for FY 13-14. The subcommittee requested inclusion of the performance measures report as an appendix to the Plan.

The Subcommittee discussed the land use and acquisition efforts of the Conservancy. Two options for moving forward were discussed: 1) continuing current efforts as a separate workgroup of the Delta Restoration Network; or 2) keeping it as a special session of the Delta Dialogues.

Meeting Date: September 24, 2014

Page 2

Staff was directed to revise the Plan to include a paragraph regarding potential effects of Proposition 1—the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (water bond). If the water bond is passed, the Plan will be revised next year to include the additional projects. Because the document is designed with the idea of updating it frequently, the Subcommittee agreed that revising text based on the actual election result was appropriate.

The Subcommittee directed staff to develop a short list of possible projects for discussion at the October meeting, including potential projects in the Suisun Marsh. Staff were encouraged to refer to the Strategic Plan and look for win-win projects that address the habitat restoration and agricultural value nexus.

Subcommittee members agreed to provide staff with any additional comments in writing by August 29, 2014; if the comments are minor, the Subcommittee agreed that the report could go before the full Board at its September meeting. If Subcommittee comments require substantial changes to the document, it will be brought back to the Subcommittee's October meeting.

Proposition 1, Water Quality, Supply, and Infrastructure Improvement Act of 2014: The Subcommittee received a briefing about Prop. 1, the revised water bond, including the \$50 million the Conservancy is expected to receive [Water Code Sec. 79731(k)] for “competitive grants for multi-benefit ecosystem and watershed protection and restoration projects in accordance with statewide priorities [Water Code Sec. 79730].”

The Subcommittee, as a follow up to its earlier conversation, reiterated its priority that the Conservancy look for agricultural sustainability projects for potential bond funding. It was suggested that the Conservancy seek funds for preparing an agricultural sustainability study, similar to the one Yolo County developed (*Yolo County Agricultural Economic Development Fund Draft Report*), for the remaining Delta counties.

The Conservancy expressed initial project planning assumptions of \$10 million a year over five-years, with 5 percent going to bond program administration. The ensuing discussion was about whether or not dispersing \$10 million the first year was overly ambitious, given that the Conservancy needs to develop resources and grant guidelines. Staff will be meeting with the Coastal Conservancy, the Sierra Nevada Conservancy, the Department of Fish and Wildlife, and other State agencies to obtain their input regarding their experiences in developing grant administration processes.

Any Proposition 1 funding is subject to the sale of the bonds and allocation by the Legislature. It was also noted that the Conservancy could not compete for restoration acreage that is required to meet the Biological Opinions.

Meeting Date: September 24, 2014

Page 3

Agricultural Economic Sustainability: In a continuation of the Board's August discussion about the draft Economic Indicators Report, the Subcommittee received an update of the Conservancy's efforts to work with the Delta Protection Commission (DPC) on developing indicators. DPC anticipate revising their Economic Sustainability Plan (ESP) in the near-term. The Conservancy will continue to work with DPC to define how best to coordinate indicator development; a meeting is being scheduled for October. The Conservancy will also explore the idea of an indicators report for the Suisun Marsh, which is not part of DPC's jurisdiction.

Land Acquisition for Restoration in the Delta: The Subcommittee received a brief history of an informal working group discussion on land acquisition for restoration in the Delta. The initial agency group has expanded to include several in-Delta stakeholders. A special session of the Delta Dialogues is scheduled on August 29th to discuss publicly owned lands and lands purchased with public funds; overlapping program objectives and land requirements (BDCP, surrounding HCP/NCCP, levee program mitigation, and Central Valley Flood Protection Plan efforts); resources for the long term management of publicly owned lands; and good neighbor policies. The Conservancy will report on the August 29, 2014 meeting to the Board on September 24, 2014.

Future Agenda Items: The Subcommittee identified two future agenda items:

- A report on early Proposition 1 program planning.
- Revisiting the 2014-15 Implementation Plan if there are substantive changes to the document.

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