

Meeting Date: June 27, 2016
Page 1



1450 Halyard Drive, Suite 6
West Sacramento, CA 95691
www.deltaconservancy.ca.gov

MEETING SUMMARY AND ACTION ITEMS
Board Meeting – May 25, 2016
1450 Halyard Dr., Suite 6, West Sacramento

CALL TO ORDER

Meeting called to order at 9:01 am by Vice Chair Darla Guenzler.

ROLL CALL

Roll call was taken and a quorum was established.

Board Members Present: Darla Guenzler, Karen Mitchoff, Don Thomas, Katherine Miller, Skip Thomson, Oscar Villegas, Todd Ferrara, Karen Finn, Dolly Sandoval, Dan Taylor
Ex Officio Members Present: None
Liaison Advisors Present: Daniel Welsh, Ryan Wulff, Sandra O’Roak, Steve Chappell, Robin Kulakov, Erik Vink

Prior to public comment Vice Chair Guenzler and Executive Officer Campbell Ingram expressed their thanks to Shakoora Azimi-Gaylon for her service to the Delta Conservancy as Deputy Executive Officer and presented her with a framed picture of the Delta and a plaque on behalf of the Board and Staff.

PUBLIC COMMENT

Mark Wilson with Wilson Vineyards expressed concern with the amount of staff turnover at the Conservancy and would like the Board to look into the cause.

DISCUSSION AND ACTIONS TAKEN

1. Agenda Item 5 – Consent Calendar (*Action Item*)

The Executive Office gave an overview of the items on the consent calendar.

MOTION: The Board unanimously approved the summary of the March 23, 2016 Board meeting, Draft Conservancy Proposition 1 Grant Program Agreement Template and Policy, and the determination that a Conservancy-specific conflict of interest policy is not needed.

2. Agenda Item 6 – Executive Officer’s Report

The Executive Officer presented updates on Conservancy programs, Board Meeting Directives and Responses, and the Deputy Executive Officer presented budget and staffing updates. The Executive Officer also presented an overview of correspondence received and introduced new staff members Beckye Stanton and Brian Keegan.

The Board asked for a status on the hiring process of a new Deputy Executive Officer and an overview of the upcoming process was given. The Board requested that, if schedules permit, that

Meeting Date: June 27, 2016
Page 2

the outgoing Deputy Executive Officer and a Board Member sit on the interview panel. The Board also discussed the staffing situation while the search for a new Deputy Executive Officer is undertaken. Concern was raised regarding the “separation of duties” for contract and invoice processing. Board Member Ferrara suggested that the Conservancy determine if a conflict with the “separation of duties” exists for the signing of any Proposition 1 Grant Program grants agreements and to explore using the Natural Resources Agency to execute contracts, and invoices if necessary, while the Deputy Executive Officer position is vacant.

The Board discussed the Conservancy’s current FY 2015-2015 expenditure report and the encumbrance of remaining funds at the end of the 2015-2016 fiscal year. The Board suggested that staff explore the timeline for encumbering remaining funds for the end of the 2015-2016 fiscal year and that this issue be discussed at the next Program and Policy Subcommittee meeting.

The Executive Officer announced that a Board meeting will take place on Monday, June 27, 2016 in order to address the Cache Slough Regional Planning effort, any outstanding business for the Proposition 1 Grant Program, and end of year finances.

3. Agenda Item 7 – Program and Policy Subcommittee Update

The Deputy Executive Officer provided an overview of the April 27, 2016 PPS meeting. The Board Vice Chair invited Board members to attend the upcoming PPS meeting scheduled for June 15, 2016 from 2:00 p.m. to 4:00 p.m. at the Conservancy office.

The Board requested to review at the next PPS meeting:

- Draft Contract Manual
- Proposition 1 Grant Program Process Debrief, including an overview of denied projects
- Unencumbered funds in 2015/2016 Budget
- Future Board Meeting Schedule and Format

4. Agenda Item 8 – Request for approval of proposals for the Proposition 1 Ecosystem Restoration and Water Quality Grant Program (*Action Item*)

The Executive Officer presented the recommendations for the Proposition 1 Ecosystem Restoration and Water Quality Grant Program. In total staff recommended 9 projects to approve funding. Each of the recommendations are to either approve funding, approve funding conditional upon receipt of certain items, or to reserve funding for further board action upon the completion of the CEQA process. The Board suggested that the Program and Policy Subcommittee hold a “lessons learned” discussion on the 2015/2016 Proposition 1 Grant Program solicitation process and that updates be provided for any approved projects at future Board Meetings.

The Board agreed to take action on each of the proposals individually and in score order.

Project #Prop 1-Y1-2015-016 – Wildlife Corridors for Flood Escape on the Yolo Bypass Wildlife Area

The Executive Officer presented an overview of the project. The Yolo County Resource Conservation District proposes to provide wildlife flood escape cover and enhance year round

Meeting Date: June 27, 2016
Page 3

habitat for a variety of migratory birds, pollinators, and other wildlife by creating a five mile floodway-compatible habitat and floodway escape corridor in the Yolo Bypass Wildlife area, and a .5 acre buffer patch of habitat. The proposal requested \$688,195.65 in funding. Staff recommended that the Board determine that the project is categorically exempt from CEQA and approve \$688,195.65 in funding conditional upon submission by the applicant of proof and verification of adequate water rights and a signed agreement with the landowner of the property. The Board discussed the proposal's permit status, lack of a landowner agreement and letters of support, and that the agreement will have a 15 year monitoring plan.

MOTION: *Board Member Thomson moved, seconded by Board Member Villegas, to make the determination that the project is categorically exempt from CEQA and approve \$688,195.65 in funding conditional upon submittal by the applicant, by September 2016, of proof and verification of adequate water rights and a signed agreement with the landowner of the property.*

A roll call vote was taken with all Board members present voting to approve the motion and the action was approved.

Board Member Mitchoff requested that Project #Prop 1-Y1-2015-019 be heard next as she had to leave the Board Meeting in order to attend another meeting. The Board agreed to do so.

Project #Prop 1-Y1-2015-019 – Lower Marsh Creek and Sand Creek Watershed Riparian Restoration Planning

The Executive Officer presented an overview of the project. American Rivers proposes to create a Programmatic CEQA document for future restoration activities in the Lower Marsh Creek and San Creek Watershed conducted by American Rivers and their partners, and to develop a stormwater management plan that will be used to guide future developments in the area. The proposal requested \$78,014 in funding. Staff recommended that the Board approve \$73,493 in funding and make the finding that all conditions for funding activities outside of the legal Delta have been met for the project, pursuant to Public Resources Code 32360.5. The Board discussed evaluation monitoring and the consistency of planning projects. Staff also reiterated that only a small portion of the project is outside the legal Delta.

MOTION: *Board Member Mitchoff moved, seconded by Board Member Sandoval, to approve \$73,493 in funding and make the finding that all conditions for funding activities outside the legal Delta have been met for the project, pursuant to Public Resources Code 32360.5.*

A roll call vote was taken with all Board members present voting to approve the motion and the action was approved.

Board Member Mitchoff left the meeting.

Project #Prop 1-Y1-2015-009 – Three Creeks Parkway Restoration Project

The Executive Officer presented an overview of the project. American Rivers proposes to restore native vegetation on 12.5 acres along nearly a mile of Marsh Creek, including its confluences in Sand Creek and Deer Creek, including floodplain and riparian habitat along 4,000 linear feet of the creek, within the City of Brentwood. The proposal requested \$839,485 in funding. Staff

Meeting Date: June 27, 2016
Page 4

recommended that the Board reserve \$836,409 in funding conditional upon completion of the CEQA process and conditional upon the submission of proof and verification of adequate water rights and a signed agreement from the landowner. The Board discussed the proposal's CEQA status, goals and benchmarks, and endowment.

MOTION: Board Member Ferrara moved, seconded by Board Member Taylor, to reserve \$836,409 in funding conditional upon completion, by September 2016, of the CEQA process and conditional upon the submission of proof and verification of adequate water rights and a signed agreement from the landowner.

A roll call vote was taken with all Board members present voting to approve the motion and the action was approved.

Project #Prop 1-Y1-2015-012 – Paradise Cut Conservation and Flood Management Plan

The Executive Officer presented an overview of the project. The San Joaquin County Resource Conservation District proposes to advance environmental compliance and permitting for a new flood bypass that will reduce flood risk, improve habitat, and maintain agricultural land along the San Joaquin River south of Paradise Cut. The proposal requested \$99,924 in funding. Staff recommended that the Board approve \$99,924 in funding conditional upon the receipt, and staff approval, of a monitoring plan for the project. The Board discussed the proposals planning status and the proposed easement.

MOTION: Board Member Miller moved, seconded by Board Member Sandoval, to approve \$99,924 in funding conditional upon the receipt and staff approval, by July 2016, of a monitoring plan for the project.

A roll call vote was taken with all Board members present voting to approve the motion and the action was approved.

Project #Prop 1-Y1-2015-010 – Paradise Cut Flood and Conservation Easement Acquisition

The Executive Officer presented an overview of the project. The San Joaquin County Resource Conservation District proposes to acquire flood and conservation easements to protect habitat for Swainson's hawk, and to build a new flood bypass that will reduce flood risk, improve habitat, and maintain agricultural land in San Joaquin County, along the San Joaquin River south of Paradise Cut. The proposal requested \$2,000,000 in funding. Staff recommended that the Board reserve \$2,000,000 in funding conditional upon a completion of the CEQA process and conditional upon the submission of additional land transaction documents. The Board discussed, and expressed concern about, whether it was appropriate to award funding for the acquisition of an easement when there is no parcel number or appraisal identified.

MOTION: Board Member Sandoval motioned, seconded by Board Member Ferrara, to deny funding.

John Cain and Chris Unkle provided public comment on the proposal as representatives of the San Joaquin County Resource Conservation District. They explained that there are willing sellers with letters stating they are willing to negotiate for fair market value and that it is difficult to talk to landowners without funding already being made available.

Meeting Date: June 27, 2016
Page 5

The Board expressed that it would like to see acquisition projects past the support letter stage in the future and that clear parcel numbers be provided. The Board suggested that a March 2017 timeframe be included for the reservation of funds in order to have the funding available for the next solicitation if a deal for the easement cannot be reached. The Board agreed that if such a motion was made, the earlier motion would be retracted.

MOTION: *Board Member Villegas moved, seconded by Board Member Thomson, to reserve \$2,000,000 in funding, through March 2017, conditional upon completion of the CEQA process and conditional upon the submission of the required land acquisition documents listed in the Conservancy's acquisition checklist, Section 1-3.*

Board Member Sandoval retracted her earlier motion.

A roll call vote was taken with all Board members present voting to approve the motion and the action was approved.

Project #Prop 1-Y1-2015-0014 – Habitat Enhancement for Swainson's Hawk at Elliot Ranch

The Executive Officer presented an overview of the project. The Environmental Defense Fund proposes to enhance and maintain 188 acres of Swainson's hawk habitat on agricultural land, and six acres of hedgerows to improve breeding and foraging habitat for Swainson's hawks on the Elliot Ranch in Yolo County. The proposal requested \$378,308 in funding. Staff recommended that the Board determine that the project is categorically exempt from CEQA and approve \$378,308 conditional upon extension of monitoring to 15 years, verification of adequate water rights, and receipt and approval of the landowner.

Mark Wilson, from Wilson Vineyards, provided public comment on the proposal stating that he is an adjoining landowner and was not made aware of the project. He also expressed concern that it does not appear that the local Reclamation District #999 has weighed in on the project and that the necessary water supply and potential drainage issues could be a concern for the project.

The Board discussed the outreach activities of the applicant. Staff clarified that outreach was a part of the scoring criteria for the proposals but is considered in relation to all other scoring criteria. Members of the Board suggested that the proposal be tabled to the next meeting in order to give adjacent landowners the ability to review the project and for the applicants to answer questions from the board and provide more information on the project's budget. Board Member Miller stated that she did not agree with tabling the proposal as staff have reviewed the project thoroughly and have taken the public outreach under consideration for their recommendation. The Board recommended that staff post all current and future Proposition 1 Grant Proposals online and be made available for public review.

MOTION: *Board Member Sandoval moved, seconded by Board Member Finn, to table the project to the June 27, 2016 Board Meeting in order to give local landowners the opportunity to review the project and for the applicant to present to the Board and provide more information on the project's budget and local outreach.*

A roll call vote was taken with the Board voting 8-1 to approve the motion, with Board Member Miller voting "no".

Meeting Date: June 27, 2016
Page 6

The Board encouraged all applicants to attend future Board Meetings where their proposals are under consideration.

Project #Prop 1-Y1-2015-003 – Yolo Bypass Wildlife Area Habitat and Drainage Improvement Project

The Executive Officer presented an overview of the project. Ducks Unlimited proposes to create 220 acres of new wetlands to provide key water infrastructure improvements which will greatly improve the ability to manage draining and filling of wetlands and agricultural fields in the Yolo Basin Wildlife Area. The proposal requested \$2,000,000 in funding. Staff recommended that the Board reserve \$2,000,000 in funding pending the completion of CEQA review and that approval be conditional upon the submission of proof of water rights, the applicant's bylaws, and a signed land tenure agreement of the landowner. The Board discussed the funding sources for the project, the construction timeline, and that the agreement will have a 15 year monitoring plan.

MOTION: Board Member Villegas moved, seconded by Board Member Finn, to reserve \$2,000,000 in funding, until March 2017, conditional upon the completion of the CEQA process and conditional upon the submission of proof of water rights, the applicant's bylaws, and a signed agreement from the land owner.

A roll call vote was taken with all Board members present voting to approve the motion and the action was approved.

Project #Prop 1-Y1-2015-005 – Fish Friendly Farming Certification Program for the Sacramento-San Joaquin Delta

The Executive Officer presented an overview of the project. The California Land Stewardship Institute proposes to establish a Fish Friendly Farming Certification Program to invite voluntary participation of landowners who will help reduce nonpoint source pollution of Delta waterbodies by implementing Best Management Practices on their farms. The proposal requested \$89,450 in funding. Staff recommended that the Board approve \$89,450 in funding and make the finding that all conditions for funding activities outside of the legal Delta have been met for the project, pursuant to Public Resources Code 32360.5. The Board discussed the certification program and its success throughout other parts of the state. Staff also reiterated that only a small portion of the project is outside the legal Delta.

MOTION: Board Member Thomson moved, seconded by Board Member Miller, to approve funds and make the finding that all conditions for funding activities outside the legal Delta have been met for the project, pursuant to Public Resources Code 32360.5.

A roll call vote was taken with all Board members present voting to approve the motion and the action was approved.

Project #Prop 1-Y1-2015-008 – Sherman Island Wetland Restoration Project Phase III

The Executive Officer presented an overview of the project. Ducks Unlimited proposes to conduct planning and pre-project work necessary to restore up to 1,600 acres of palustrine emergent wetlands on Sherman Island that would reverse subsidence while sequestering carbon and providing habitat. The proposal requested \$100,000 in funding. Staff recommended that the Board

Meeting Date: June 27, 2016
Page 7

approve \$100,000 in funding conditional upon the submission of a copy of the applicant's bylaws by July 2017.

***MOTION:** Board Member Villegas moved, seconded by Board Member Thomas, to approve funds conditional upon the submission of a copy of the applicant's bylaws by July 2017.*

A roll call vote was taken with all Board members present voting to approve the motion and the action was approved.

The Board discussed the denial of projects that were not recommended for funding by staff. The Board requested that the Program and Policy Subcommittee discuss the denied projects at the next meeting as part of their Prop 1 Grant Program debrief.

***MOTION:** Board Member Thomas moved, seconded by Board Member Sandoval, to acknowledge that all remaining Proposition 1 Grant Program 2015-2016 proposals were received and denied for not meeting the scoring threshold necessary for approval.*

A roll call vote was taken with all Board members present voting to approve the motion and the action was approved.

5. Agenda Item 9 – Delta Stewardship Council Delta Plan Update

6. Agenda Item 10 – California Water Fix and Eco Restore Updates

7. Agenda Item 11 – Delta Protection Commission Update

The Vice Chair recommended, and the Board approved, to forgo these agenda items for the next Board Meeting.

8. Agenda Item 12 – Future Board Meeting Schedule and Format

The Executive Officer provided a staff report on potential changes to the future Board Meeting schedule, locations, and format. The staff report will be discussed at the next Program and Policy Subcommittee meeting for recommendations to the full board.

9. Agenda Item 15 – Potential Agenda Items for June 21, 2016

The Board would like to discuss regional planning in the Cache Slough, an update on the Proposition 1 Grant Program proposal process, the Habitat Enhancement for Swainson's Hawk at Elliot Ranch project proposal, end of year budget encumbrances, and strategic planning at the next Board Meeting.

10. Agenda Item 16 – Public Comments

No public comments.

BOARD DIRECTIVES TO STAFF

- 1) Staff will determine if a conflict with the "separation of duties" exists for the signing of any Proposition 1 Grant Program grants agreements while the Deputy Executive Officer position is vacant and will explore using the Natural Resources Agency to execute contracts, and invoices if necessary (**Agenda Item 6**)

Meeting Date: June 27, 2016

Page 8

- 2) Staff will explore the timeline for encumbering funds for the 2015-2016 fiscal year. **(Agenda Item 6)**
- 3) Staff will provide updates to the Board on all Proposition 1 Grant Program projects at each subsequent Board Meeting. **(Agenda Item 8)**

MEETING ADJOURNED by Vice Chair Guenzler at 1:10 p.m.

Respectfully submitted on May 27, 2016

Sacramento-San Joaquin Delta Conservancy

Contact Person:

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