

Meeting Date: May 23, 2018
Page 1



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

MEETING SUMMARY AND ACTION ITEMS
Board Meeting – March 28, 2018
1450 Halyard Drive, Suite 6, West Sacramento

CALL TO ORDER

Meeting called to order at 9:01 a.m. by Chair Katherine Miller.

ROLL CALL

Roll call was taken and a quorum was established.

Board Members Present: Katherine Miller, Dolly Sandoval, Ryan Hernandez, Don Nottoli, Jim Provenza, Todd Ferrara, Karen Finn, George Woolverton, Dan Taylor

Ex Officio Members Present: None

Liaison Advisors Present: Sandra O’Roak, Matt Gerhart, Steve Chappell, Erik Vink

Chair Miller introduced new Board Member George Woolverton as the Senate’s appointee and announced that Vice Chair Sandoval had been reappointed to a new term by the Governor. Chair Miller also announced that Sandi Matsumoto had also been appointed to the Board by the Governor, but was not able to make the meeting.

The Executive Officer introduced new staff members Thomas Jabusch, Senior Environmental Scientist, and Angie McCarty, Accountant (Specialist).

Marie Yu, with the Assembly Speaker’s Office, presented Dan Taylor with an Assembly resolution detailing his career in public service and thanking him for his service to the Delta community.

PUBLIC COMMENT

None.

DISCUSSION AND ACTIONS TAKEN

1. Agenda Item 4 – Consent Calendar (*Action Item*)

MOTION: Board Member Finn moved, with a second from Board Member Ferrara, to approve the summary of the January 24, 2018 Board meeting. No other issues were included in the consent calendar.

A voice vote was taken by the Board to approve the motion.

2. Agenda Item 5 – Executive Officer’s Report

The Executive Officer presented the Program Update that included information on the upcoming conflict of interest form submission deadline, the Delta carbon projects, the Central Delta Corridor Partnership, the Arundo Control and Restoration Project, the Delta Aquatic Resources Inventory, Creek Week, the tire cleanup at Babel Slough, the Delta Mercury Exposure Program, and the Delta Marketing Project.

Debra Kustic presented the Expenditure Report, which included an overview of the Conservancy’s current finances.

The Executive Officer presented the Outreach-Delta Meeting Matrix. There was no correspondence to report.

3. Agenda Item 6 – Proposition 1 Grant Program Update

Laura Jensen provided an update on the Proposition 1 Grant Program. A public draft of the Cycle 4 Proposition 1 Grant Guidelines will be presented to the Board at the May 23, 2018 Board meeting.

Laura Jensen reviewed status updates on awarded projects with substantial status changes since the last Board meeting. Staff alerted the Board that the Yolo Bypass Corridors for Flood Escape on the Yolo Bypass Wildlife Area is experiencing a permitting delay due to the Central Valley Flood Protection Board requiring the project to be flood neutral. Staff is currently working with the grantee to address the delay.

Vice Chair Sandoval requested information on the difference between this year’s Grant Guidelines and the public draft to be presented to the Board in May. Staff confirmed that the document will be streamlined in order to better assist project applicants. Chair Miller requested information on the number of Cycle 1 projects that are still at a “reserved funding” status. Staff confirmed that two projects are currently in the “reserved funding” status due to land acquisition and CEQA requirements.

4. Agenda Item 7 – Request for Approval of Staff Recommendations for the Third Solicitation Cycle of the Proposition 1 Ecosystem Restoration and Water Quality Grant Program (*Action Item*)

Laura Jensen presented the recommendations for the third solicitation cycle of the Proposition 1 Ecosystem Restoration and Water Quality Grant Program. Staff recommended that the Board award or reserve total funding of \$18.9 million for 9 projects. Each of the recommendations are to either approve funding conditional upon receipt of certain items, or to reserve funding for further board action upon the completion of the CEQA process.

Meeting Date: May 23, 2018
Page 3

Board Members Provenza and Nottoli requested information on submitted projects with missing information and how much staff works with applicants to ensure all required information is submitted. Staff confirmed that, while communication is closed during the scoring of proposals, grantees are given ample opportunity to work with staff beforehand. This includes one-on-one meetings and open communication after concept proposals have been submitted.

Chair Miller and Board Member Nottoli requested information on the difference in Board approval between reserving funds and approving with conditions. Staff explained that projects where funding is reserved will return for Board approval after the project completes the CEQA process or completes the land acquisition checklist. Projects approved with conditions will not return to the Board for approval but the tracking of conditions will be reported to the Board.

Laura Jensen presented each of the projects individually, and the Board acted on each of the proposals, in score order.

Project #Prop 1-1701 – Bay Point Habitat Restoration Project

The East Bay Regional Park District proposes to restore ecological habitat at Bay Point Regional Shoreline Park. Approximately 44 acres of wetland and grassland and 5,595 linear feet of low order saline emergency marsh channel is proposed to be restored within a 56.6-acre project area. The proposal requested \$2,100,000 in funding. Staff recommended that the Board approve the Responsible Agency CEQA findings and complete necessary actions as the Responsible Agency under CEQA. Staff also recommended that the Board approve findings for projects located outside the legal Delta, and approve \$2,100,000 in funding conditional upon the submittal and approval of the items enumerated in the staff report. Brian Keegan presented on the CEQA findings.

Vice Chair Sandoval requested information on the findings for projects located outside the legal Delta. Staff explained that the Board can award to projects outside the legal Delta as long the Board finds that the conditions outlined in the staff report are met. Matt Gerhart with the Coastal Conservancy indicated the agency was supportive of the project.

MOTION: Board Member Provenza moved, seconded by Vice Chair Sandoval, to approve the Responsible Agency CEQA findings and complete the necessary actions as a Responsible Agency under CEQA for Project #Prop1-1701.

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

MOTION: Board Member Provenza moved, seconded by Board Member Taylor, to approve the findings outlined in the staff report for projects located outside the legal Delta, and to approve \$2,100,000 in funding conditional upon the submittal and approval of the items enumerated in the staff report.

Meeting Date: May 23, 2018
Page 4

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

Project #Prop 1-1707 – Mitchell Trust Farm Multi-Species Habitat Conservation Easement Acquisition

The Yolo Habitat Conservancy proposes to purchase a multi-species habitat conservation easement on the 275.31-acre Mitchell Trust Farm property to protect important habitat for listed species in perpetuity. The proposal requested \$2,829,718 in funding. Staff recommended that the Board approve \$2,829,718 in funding conditional upon the submittal and approval of the items enumerated in the staff report.

Board Member Finn requested information on the Delta Conservancy's process for acquisitions, particularly with appraisals. Staff confirmed that the Conservancy has guidelines in place for the review of appraisals and overseeing acquisition projects.

MOTION: Board Member Ferrara moved, seconded by Board Member Nottoli, to approve \$2,829,718 in funding conditional upon the submittal and approval of the items enumerated in the staff report.

A roll call vote was taken. The motion carried with 8 ayes, 0 noes, and 1 abstention.

Project #Prop 1-1713 – Stone Lakes Restoration Project

Ducks Unlimited, Inc. proposes planning for an ecosystem restoration and enhancement project at the Stone Lakes National Wildlife Refuge that will restore approximately 257 acres of seasonal wetland and 39 acres of riparian seasonal wetland, and enhance 20 acres of existing low-quality wetland. The proposal requested \$635,573 in funding. Staff recommended that the Board approve up to \$635,573 in funding conditional upon the submittal and approval of the items enumerated in the staff report.

Board Member Ferrara requested information regarding the "up to" in the recommendation for this project. Staff explained that there are some inconsistencies in the proposal's budget which could not be addressed while scoring the proposal. The "up to" is to address that concern and to make clear that if the budget changes after discussions with the applicant, it cannot go over that amount.

Board Member Finn raised concern with the amount of planning funding that the Conservancy has awarded for Proposition 1. Board Member Finn also requested information on the site access agreement for the project. Staff confirmed that funding awarded to planning projects is currently around 8-12 percent of the total allocated funding, which is appropriate per the bond's requirements. Staff also confirmed that planning projects do not need to have a site access agreement due to the timeline in relation to the project's implementation. Aaron Will with Ducks

Meeting Date: May 23, 2018
Page 5

Unlimited, Inc. confirmed that project staff have been in communication with the land owner and that they do not foresee issues with site access.

Board Member Nottoli requested information on the prior use of the land. Ducks Unlimited Inc. confirmed that the site has been historically farmed but that the landowners are interested in converting a portion into habitat with a conservation easement. The land is currently not being farmed but is planned to be in the future. This planning project will address that aspect as well.

MOTION: Board Member Nottoli moved, seconded by Board Member Provenza, to approve up to \$635,573 in funding conditional upon the submittal and approval of the items enumerated in the staff report.

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

Project #Prop 1-1711– Three Creeks Parkway Restoration Project #2

American Rivers proposes to incorporate the Carmel Estates storm water basin into the larger Three Creeks Parkway Restoration Project that is currently being coordinated by American Rivers and funded, in part, by the Delta Conservancy. The project is to expand the project in a different direction due to unforeseen sewer line movement issues and to provide enough flood conveyance to ensure the channel can be sufficiently revegetated as a result. The proposal requested \$999,318 in funding. Staff recommended that the Board reserve \$999,318 in funding pending CEQA submittal and approval of the responsible agency findings, and conditioned upon submittal and approval of the items enumerated in the staff report.

Board Member Finn requested information on the Conservancy's portion of the funding for the whole project, in respect to "soft costs". American Rivers confirmed that the Conservancy's portion will fund some soft costs such as coordination and monitoring, but will also cover revegetation and other direct costs.

Board Member Ferrara requested information on what needs to be met for final approval of the project. Staff confirmed that the project will need to undertake the CEQA process and provide clarification on the project's budget, design documents, and secure a determination from the Delta Stewardship Council on the project's consistency with the Delta Plan.

Board Member Provenza requested information on how the sewer line was missed in initial planning. American Rivers explained that the line was not missed, but was anticipated to be moved. It is still expected to be moved but modeling required additional land be incorporated into the restoration project.

Vice Chair Sandoval requested information on the project's relationship with the Cycle 1 funded portion of the project. Staff responded that, if approved, the project might be combined with the

Meeting Date: May 23, 2018
Page 6

Cycle 1 grant for administrative purposes. The Cycle 1 project is in progress but experienced delays with finalizing CEQA and the land tenure agreement. The expectation is to break ground next year and then take three years for revegetation.

Board Member Ferrara requested information on the project's timeline regarding bond fund availability. Staff confirmed that the project is expected to stay within the funding timeline of the bond.

MOTION: Board Member Provenza moved, seconded by Vice Chair Sandoval, to reserve \$999,318 in funding pending CEQA submittal and approval of the responsible agency findings, and conditioned upon submittal and approval of the items enumerated in the staff report.

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

Project #Prop 1-1702– Restoration Planning at River Garden Farms: Improving Aquatic Habitat Resiliency on Working Lands Along the Sacramento River

American Rivers proposes to develop restoration design plans for seven different project sites at River Garden Farms with the goal of restoring ecosystem function in floodplain, wetlands, and riparian habitats along the Sacramento River on a large working farm, and providing habitat connectivity within a matrix of intensive agriculture. The proposal requested \$661,189 in funding. Staff recommended that the Board approve findings for projects located outside the legal Delta and approve \$661,189 in funding conditioned upon submittal and approval of the items enumerated in the staff report.

Board Member Finn requested confirmation that the request is for full funding but conditional approval. Staff confirmed.

MOTION: Board Member Ferrara moved, seconded by Board Member Taylor, to reserve \$999,318 in funding pending CEQA submittal and approval of the responsible agency findings, and conditioned upon submittal and approval of the items enumerated in the staff report.

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

Project #Prop 1-1710– Grizzly Slough Floodplain Restoration Project at the Cosumnes River Preserve

The California Department of Water Resources proposes to restore wetland and riparian habitat to the 334-acre site by breaching the levee and reintroducing tidal and seasonal flooding, and by establish native vegetation. The proposal requested \$8,700,800 in funding. Staff recommended that the Board reserve \$8,700,800 in funding pending CEQA document submittal and approval and

the responsible agency findings and conditioned upon submittal and approval of the items enumerated in the staff report.

Board Member Nottoli noted that the applicant did not receive a support letter from the Board of Supervisors because it was requested after the deadline. Board Member Nottoli also requested information on the outreach to local landowners and what review has been performed of the potential flooding impacts. Anitra Pawley and Ramona Swenson, from the Department of Water Resources, confirmed that the Department has worked with local landowners to address concerns. The Department has also performed modeling to understand and mitigate the tidal flows and flooding impacts.

Board Member Nottoli voiced concern that flood projects are only considered individually, not collectively for impacts, and that this project, along with McCormack Williamson Tract, could have large flooding impacts. The Department of Water Resources confirmed that the two projects are being evaluated concurrently and that they are working to address any potential impacts. Board Member Nottoli requested a more focused discussion on the flood analysis at a future Board Meeting.

Board Member Taylor requested information on the large amount of funding requested and why the Conservancy is taking on a large chunk of the entire project rather than the Department. The Department of Water Resources confirmed that a lot of the Department's funding was used towards last year's flood concerns and other projects.

Board Member Nottoli expressed concern that this project is being pursued over McCormack Williamson Tract.

Board Member Provenza requested information on how the land is currently being farmed and whether farmland is being taken out of production because of this project. The Department of Water Resources confirmed that the land was used for winter wheat in the past but has become fallow and overrun with star thistle.

Board Member Nottoli requested that when farmland is being taken out of production due to a project, it should be noted on the staff report. Staff confirmed that future staff reports will contain this information. Liaison Advisor Vink suggested that this type of land loss analysis be included in the grant guidelines. Staff confirmed that this analysis is not part of the grant guidelines but is a question on the grant application that an applicant must answer.

MOTION: Board Member Nottoli moved, seconded by Board Member Provenza, to reserve \$8,700,800 in funding pending CEQA document submittal and approval and the responsible agency findings and conditioned upon a presentation on the Department of Water Resource's flood analysis at a future Board meeting and submittal and approval of the items enumerated in the staff report.

A roll call vote was taken. The motion carried with 8 ayes, 0 noes, and 1 abstention.

Board Member Ferrara stated that as part of the Natural Resources Agency that oversees the Department of Water Resources, he has no Conflict of Interest issues, but he must disclose the relationship.

Project #Prop 1-1718– Nutria Eradication Project

The California Department of Fish and Wildlife proposes to eliminate nutria from all known and discovered locations in California. The proposal requested \$1,175,374 in funding. Staff recommended that the Board approve findings for projects located outside the legal Delta and approve \$1,125,577 in funding.

Board Members expressed their concerns with the advancement of nutria towards the Delta and received answers to their questions regarding the general invasive nature and eradication of Nutria.

Board Member Finn requested information on how the applicant plans to continue reporting in the future. The Department of Fish and Wildlife confirmed that reconnaissance surveys will be used and that they can maintain monitoring into the future.

Board Member Taylor requested information on other sources of funding the Department of Fish and Wildlife pursued for the project. The Department stated that it sought Proposition 1 funding from the Wildlife Conservation Board but was rated poorly due to the nature and focus of its grant program.

MOTION: Board Member Provenza moved, seconded by Vice Chair Sandoval, to approve findings for projects located outside the legal Delta and approve \$1,125,577 in funding.

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

Board Member Ferrara stated that as part of the Natural Resources Agency that oversees the Department of Fish and Wildlife, he has no Conflict of Interest issues, but he must disclose the relationship.

Project #Prop 1-1709– Knightsen Wetland Restoration and Flood Protection Project

The East Contra Costa County Habitat Conservancy proposes to advance planning for restoring wetlands, and managing and treating storm water. The proposal requested \$1,225,000 in funding. Staff recommended that the Board approve \$1,225,000 in funding conditioned upon submittal and approval of the items enumerated in the staff report.

Meeting Date: May 23, 2018
Page 9

MOTION: Board Member Nottoli moved, seconded by Board Member Provenza, to approve \$1,225,000 in funding conditioned upon submittal and approval of the items enumerated in the staff report.

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

Project #Prop 1-1712– Bees Lakes Habitat Restoration Plan

The City of West Sacramento proposes to develop a detailed habitat restoration plan that will restore historic physical and ecological processes at Bees Lakes, which were originally created by a breach in the levee adjacent to the Sacramento River and that has been degraded by uncontrolled human activities. The proposal requested \$592,500 in funding. Staff recommended that the Board approve \$592,500 in funding conditioned upon submittal and approval of the items enumerated in the staff report.

MOTION: Board Member Provenza moved, seconded by Board Member Nottoli, to approve \$592,500 in funding conditioned upon submittal and approval of the items enumerated in the staff report.

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

MOTION: Board Member Ferrara moved, seconded by Board Member Provenza, to deny all remaining proposals as recommended by staff.

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

Chair Miller thanks staff and the Board for their hard work on the Proposition 1 Grant Program and congratulated the new grantees.

5. Agenda Item 8 – Request for Approval of Funding not to Exceed \$143,000 to Support the Rapid Assessment of Aquatic Habitat Restoration Opportunities for Juvenile Salmonids in the Delta
(Action Item)

The Executive Officer presented the staff report and the scopes of work for the Rapid Assessment of Aquatic Habitat Restoration Opportunities for Juvenile Salmonids in the Delta project. The project would conduct a rapid assessment of aquatic habitat restoration and predator disturbance opportunities for juvenile salmonids in the Delta, and identify near-term priority efforts that can be funded by Proposition 1 and other funding sources. The project would be guided by the Collaborative Adaptive Management Team (CAMT) working closely with the San Francisco Estuary Institute, the Delta Conservancy, and other partners. The total project costs are estimated to be \$235,000, with the Delta Conservancy providing \$143,000. Staff recommended that the Board approve funding not to exceed \$143,000 to support the project, consistent with the scope of work.

Board Member Nottoli expressed concern that a large portion of funding is going towards a predator study which has already been done before and does not see justification for funding again.

Board Member Finn requested information on the Department of Fish and Wildlife's involvement. The Executive Officer confirmed that the Department has been involved as part of the CAMT process.

Vice Chair Sandoval expressed concern that the summary report should not cost as much as proposed if it already included the predator study. The Executive Officer reminded the Board that they can reduce the funding if it finds appropriate.

Board Member Provenza expressed concern that the project seems like it could be performed with current funding and staff.

Public comment was provided by Mark Pruner for Clarksburg. Mr. Pruner expressed concern that the project does not seem to have compliance with Public Resource Code 32320 (b) that mandates the Conservancy must support efforts that advance environmental protection and the economic well-being of Delta residents.

Public comment was provided by Mark Wilson of Wilson Vineyards. Mr. Wilson expressed concern with the scientific workshop and if outreach will be undertaken to residents. He requested that robust outreach to residents occur if the project move forward.

Chair Miller requested that the issue be tabled and come back to the Board at a later Board meeting with more information from staff on how the public would be involved in the process and the costs involved.

MOTION: Board Member Nottoli moved, seconded by Vice Chair Sandoval, to table the agenda item to the May 23, 2018 Board meeting.

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

6. Agenda Item 9 – Program and Policy Subcommittee Update

Debra Kustic introduced the Program and Policy Subcommittee update. The Subcommittee met on February 21, 2018 and included a discussion of Board approval of reports, a discussion on the Delta Conservancy's language translation capabilities, and an update on Proposition 1.

Brandon Chapin provided the update on the language translation capabilities. The Subcommittee discussed the options available for translation of documents and determined that costs were prohibitive, but considered a free Google Translate button be added to the Delta Conservancy's website for translation purposes. Brandon provided a walkthrough of the new translate button. The

Board generally agreed with placing the button on the website, but requested that the button be made easier to find.

Debra Kustic provided the update on the Board Report policy and Proposition 1. After discussions with the Subcommittee, staff drafted a Project Reports Policy that details the types of reports that would go to the Board for review and/or consideration. There was general agreement among the Board that the policy provided was acceptable.

The Subcommittee also discussed the Proposition 1 Grant Program's Cycle 4 timeline and options for funding recommendations when a grant cycle is oversubscribed. The Subcommittee generally agreed that basing funding decisions on score was the most objective method. There was general agreement among the Board for that policy as well.

7. Agenda Item 10 – Delta Stewardship Council Update

Jessica Law provided the update on the Delta Stewardship Council. The Council discussed at its March meeting an executive summary for actions taken during the drought and the Delta Levee Investment Strategy working group. The Delta Science Plan Public Workshop will be held on April 6, the Delta Plan Interagency Implementation Committee will be meeting on April 16, and the Council will meet on April 26-27 to discuss the adoption of amendments to the Delta Plan.

8. Agenda Item 11 – California Water Fix and Eco Restore Updates

Water Fix

Gary Lippner, Deputy Director for Delta Conveyance, provided the update on Water Fix. The Department of Water Resources added an option for staged implementation of the project and is currently conducting a cost-benefit analysis. The Department expects to present the option to the State Water Board in April or May. Change in Point of Diversion hearings at the State Water Board are expected to finish in June, with a decision made by the end of the year. The Supplemental Environmental Impact Report will be available in June.

Eco Restore

Kris Tjernell provide a presentation on Eco Restore which included updates on the Fremont Weir Fish Passage, Yolo Flyway Farms, McCormack-Williamson Tract, Dutch Slough, Decker Island, and Hill Slough projects.

9. Agenda Item 12 – Delta Protection Commission

Erik Vink provided the update on the Delta Protection Commission. The Commission is near completion on the Socioeconomic Indicators for the Delta and plans to provide an update at a future Board meeting. The Commission is also working on the agricultural component of the Economic Sustainability Plan. Lastly, the Commission is expecting to update the recreation component of the Economic Sustainability Plan after July 1.

Meeting Date: May 23, 2018
Page 12

10. Agenda Item 13 –Potential Agenda Items for the March Board Meeting

The Executive Officer provided the Board with a list of the tentative agenda items for the May 23, 2018 Board Meeting. This meeting will likely be held at the Yolo Bypass Wildlife Area. Potential agenda items include:

- Request for Approval to Release the Public Draft of the Proposition 1 Cycle 4 Grant Guidelines
- Yolo Habitat Conservation Plan Update
- Presentation of Flood Analysis for the Grizzly Slough Floodplain Restoration Project at the Cosumnes River Preserve
- Request for Approval of Funding not to Exceed \$143,000 to support the Rapid Assessment of Aquatic Habitat Restoration Opportunities for Juvenile Salmonids in the Delta

No other agenda items were requested by the Board.

11. Agenda Item 14 – Public Comments

No public comment.

BOARD DIRECTIVES TO STAFF

- Board Member Nottoli requested that the Department of Water Resources provide a presentation on the flood analysis used for the Grizzly Slough Floodplain Restoration Project at the Cosumnes River Preserve
- Board Member Nottoli requested that staff note in any staff reports whether there would be any loss of farmland because of a project
- The Board requested that the language translation button on the Delta Conservancy website be made easier to find

MEETING ADJOURNED by Chair Katherine Miller at 12:24 p.m.

Respectfully submitted on May 1, 2018

Sacramento-San Joaquin Delta Conservancy

Contact

Brandon Chapin, Board Liaison
Sacramento-San Joaquín Delta Conservancy
Email: brandon.chapin@deltaconservancy.ca.gov
Phone: (916) 375-2091

Audio files of Board meetings are available on the Board Meeting Materials section of the Delta Conservancy web page at www.DeltaConservancy.ca.gov. Board meetings are typically four hours in length, from 9:00 am to 1:00 pm; using the meeting agenda to help locate topics of interest within the audio file is recommended.