



Meeting Notice and Agenda

Meeting of the California Water Commission
Wednesday, January 18, 2012
State of California, Resources Building
1416 Ninth Street, First Floor Auditorium
Sacramento, CA 95814

9:30 a.m. - 11:30 a.m., Room 340

This session will not be webcast.

Working Session: Quantification of Public Benefits of Water Storage Report

The morning session of the meeting of the California Water Commission was called to order at 9:33 a.m. on January 18, 2012.

Executive Officer Sue Sims called roll. Members Andrew Ball, Joe Byrne, Joe Del Bosque, Kim Delfino, Luther Hintz, and Anthony Saracino, were present. Daniel Curtin was absent.

Ms. Sims went over the schedule for the rest of the day and provided background information. She explained that the Commission must adopt regulations for the Quantification of Public Benefits of Water Storage Projects by December 15, 2012, as required by SBX7-2, the Safe, Clean, and Reliable Drinking Water Act of 2012. The bill defines public benefits as ecosystem improvements, flood control benefits, recreation, water quality improvements, and emergency response benefits. The regulations will guide the Commission as they distribute \$3 billion from the water bond dedicated to the public benefits of storage projects. She noted that while the bill would not become effective until passed by voters in November 2012, the Commission has begun work on the regulations in anticipation of the deadline if the measure is approved by voters in November. Last spring, a team including Department of Water Resources (DWR), State Water Resources Control Board (SWRCB), and Department of Fish and Game (DFG) staff, as well as consultant economists, began work on the report, *Description and Screening of Potential Tools and Methods to Quantify Public Benefits of Water Storage Projects*, which was presented as a draft at this meeting.

Ajay Goyal, DWR Principal Engineer in charge of Statewide Infrastructure Investigations, introduced the report. He explained elements of the water bond, the types of projects that would be eligible for funding, and the team's process for developing the report. He explained that the report contains a list of tools and methods that are available for quantification of public benefits. The next steps will be drafting regulations and the accompanying guidelines.

Glenda Marsh, with the Department of Fish and Game, presented DFG's work so far on a list of priorities that will be submitted to the Commission for inclusion in the regulations. DFG has compiled priorities identified in existing conservation plans, species recovery plans, and habitat management plans, and organized them by hydrologic region. DFG chose not to link specific benefits to types of water storage

projects, stating it is best to let water project developers determine which benefits are applicable to their project by working with DFG. The list is a general priority list which does not rank certain type of benefits higher than others.

Ms. Delfino questioned why sport fishing was included on the preliminary priority list, but not hunting.

Ms. Marsh stated that hunting was not a priority that was identified by staff during their process for this assignment, but she would go back and look at it further.

Steve Hatchett, a consultant with CH2MHill suggested that if a project has hunting benefits that are quantifiable and countable, that benefit can be counted in the Commission's process outside of DFG's priorities.

Ms. Delfino stated that she thought it was odd to include fishing but not hunting, and DFG should provide an explanation why.

Ms. Marsh explained DFG's process for defining priorities. Staff looked at what DFG does in practice. High priorities include listed species, which may be specific to certain areas, and other priorities listed in current plans.

Ms. Delfino questioned what the actual report will contain and if it will be a list or in some other format. She asked if DFG is utilizing ACE-II or looking at California Essential Habitat Connectivity.

Ms. Marsh stated that staff had not looked at ACE-II or Essential Habitat Connectivity specifically, but will go back and look at both for inclusion in the report. She stated that DFG will provide very specific information. The information DFG provides will be very specific including a detailed list, and will have recommended actions. Project designers can use this information when designing their projects.

Mr. Saracino asked if the list will be weighted or prioritized.

Ms. Marsh responded that it would not. Anything to do with listed species or certain existing plans will be included on the priority list, but DFG felt they could not, for instance, prioritize gravel for fish over habitat for birds.

Ms. Delfino suggested that tiered rankings, or some other level of prioritization, would greatly assist the Commission and should be included in the priority list.

DFG staff member Gina Ford stated that priorities are highly variable based on region or climate, and could change on a year-to-year basis or by micro-climate. It would be impossible come up with a blanket ranking for the whole state.

Mr. Ball strongly agreed that priorities are necessary and suggested arranging them as a flow chart. One benefit leads to another and by looking at the interdependencies a flow chart would in itself become a priority list.

Mr. Saracino stated that the Commission would like to see a draft copy of the report and provide comments before it is finalized and Ms. Delfino agreed.

Kamyar Guivetchi, Chief of DWR's Division of Statewide Integrated Water Management, noted that DFG created conceptual flow charts during the CALFED planning process which may be useful here.

Eric Oppenheimer, with the State Water Resources Control (Board), described the Board's role, providing consultation in the development of this report and providing Commission with their priorities.

He stated that the State Board takes that role seriously and intends to fulfill its responsibilities. The Board has worked with the workgroup for 10 months, providing technical input, and drafting a report that will describe water quality priorities. That report is in review by their Executive Officer and the Board. They plan to provide their report to the Commission by end of February.

In developing the report, they tried to look at all priorities in various plans and policies, and identify a shorter list of priorities that could be influenced by projects as defined in the Act. For example, pesticides are a priority of the Board but water projects will not have any effect on improving conditions. However, dissolved oxygen and temperature could be positively affected. The report identifies categories of projects that could have a positive influence on water quality. The list does not reflect overall priorities, just those applicable to water projects. The list of priorities has not been ranked as this must happen on the project by project level.

Mr. Saracino noted the Board is working on flow standards for Priority Rivers and Streams and asked if that would be included in the priorities.

Mr. Oppenheimer stated that the flow standards will not be ready in time to include in this report; however, the Board's Delta flow standards were included.

Mr. Ball stated the priorities are important for the Commission and suggested using magnitude to do that ranking; the more widespread a problem is the higher priority it should be. The Commission will need priorities to understand exactly why they are approving an expenditure of funds.

Steve Hatchett, economist with CH2MHill, and Roger Mann, economist with RMann Consulting, presented an overview of the draft report.

Mr. Hatchett started by noting that the report is a draft, and they expect to receive and incorporate comments over next couple months. He explained the contents of the report and the fundamental economic concepts and principles. The report focuses on economic quantification. It compiles and screens the most current tools and methods for quantifying the benefits of water storage projects.

He noted the law requires any project seeking funding to have a feasibility study; at some point the Commission will need to consider what a feasibility study should look like for non-state or federal projects. He clarified that benefits refers to benefits to Californians as a whole. He described appropriate ways of determining economic benefits including avoided cost, alternative cost, direct observation, survey methods, and benefits transfer.

Mr. Mann provided specific examples of different types of methods to quantify benefits.

Key screening criteria for benefits methods and models include:

1. Consistent with benefits principles; must estimate benefits other measures such as income and employment would not count
2. Must be adaptable to a California analysis perspective
3. Must be applicable to the physical benefit
4. Screened out if it is clearly inferior to another method that does the same thing
5. Data and method must be verifiable
6. Level of detail commensurate with size of the project

Staff developed qualifiers to rank economic methods including: preferred method, second best, not-likely, partial, and conditional (case specific).

Mr. Saracino noted that there are two preferred methods for quantifying Recreational Benefits listed in the report.

Mr. Mann confirmed that this was correct as the best method may depend on the exact situation and project size. He noted that some economic models were screened out including input/output, financial models, regional growth models, and FEMA's benefit cost analysis for flood control.

He also provided examples of the recommended analysis methods for various benefits.

Surface water recreation, for example, was considered easy to quantify; there are standard methods for quantifying the benefits and a large amount of literature available.

Ecosystem Improvements for fish flow is an example of a difficult benefit to quantify. It is difficult to determine the physical benefits, in this case how many more fish will be produced based on increased flows. The report suggests using the alternative cost of providing same quality of habitat improvement. In some cases, there may be no clear feasible alternative.

The report's recommendations to the Commission include the following:

Regulations should include:

1. Description of benefits principles
2. Recommendations for methods and models (conditional)
3. Studies (feasibility, cost effectiveness – any way to provide these benefits that is less expensive , cost allocation- exactly who is going to pay what share of costs)
4. Require physical quantification including water balance and storage yield analysis (minimum standards of storage yield analysis)
5. Document all benefits even if you cannot quantify – discuss why you can quantify

General findings:

1. Direct measures of benefits are uncertain
2. Few recent studies in California
3. Alternative cost should play a large role – it cannot justify a project, just rule it out

4. Water supply models very important – must come first
5. This analysis is only part of the decision-making process
6. Consider how these will mesh with DFG, State Water Resources Control Board priorities
7. Should consider documenting unquantifiable benefits

This presentation was followed by questions and discussion. Mr. Ball stated that value - defined as actual investment to return on investment - should play more of a role in this evaluation. Willingness to pay and alternative costs should not be the only factors considered as a lot of the decision making process has to be subjective.

Mr. Mann explained that he considered benefits to be the same as return on investment.

Mr. Hatchett agreed that there will be things that cannot be quantified but need to be factored into decision process.

Mr. Ball questioned why the report listed Californians as the benefits recipients.

Mr. Hatchett stated that many projects might prefer to consider a local perspective. However, if a project takes benefits from one group to give benefits to another, it would not be counted as a benefit in this case since there is not net benefit to Californians as a whole.

Mr. Ball questioned the definition of Californians, wondering if benefits to fish, land, etc, are also being counted.

Mr. Mann talked about the ways in which benefits to species, for example, can be measured through people's willingness to pay.

Ms. Delfino asked if staff had talked with the United States Geological Services' Washington D.C. Office of Ecosystem Services. She noted that Rangeland Coalition Conference on Ecosystem Services was being held the next day and suggested staff attend. Staff had not, but said they would look into both sources and add them to their list of experts.

Mr. Goyal described the next steps in the process. He thanked the members for their excellent comments. Staff plans to incorporate comments and finalize draft by the end of February, and plans to start drafting regulations and guidelines with a monthly briefing to the Commission. Initial draft regulations could be ready by June and regulations could be sent to the Office of Administrative Law in November if the bond is approved by voters.

Mario Santoyo, of Friant Water Authority, noted that a number of ecosystem projects have already received significant public investment and suggested prioritizing those projects. He gave the example of the San Joaquin River Restoration project: \$1 billion of public funds has been invested for in-stream changes, but cold water is a high priority for the success in that project. He agreed to follow-up with a formal letter.

Mr. Saracino asked, hypothetically, if the proponents of Sites Reservoir said they will dedicate their entire water pool to cold water, how would one go about assessing that?

Mr. Mann suggested using avoided costs - looking at the physical alternatives for providing that cold water and seeing if there is a less expensive option.

Mr. Hatchett noted there may be cases where it is impossible to imagine another alternative that does what the proposed project does. Then you are forced to other use approaches such as benefits transfer. Benefits may be difficult to quantify; ultimately the economic analysis must feed into a bigger decision process.

Ms. Marsh clarified the DFG tried to stay away from their priority list predisposing the process towards certain types of projects.

Ms. Delfino disagreed with that approach. She asked DFG to articulate their main priorities, which will be one factor to include in final funding decisions.

Thad Bettner, of Glenn Colusa Irrigation District, stated that as someone trying to craft operations of a project he needs to know priorities as he scopes alternatives for operation. He also suggested looking at department budgets as an indicator of priorities.

Ms. Delfino disagreed with that approach, stating that budgets are triage driven and she would prefer a science driven approach.

Mr. Oppenheimer agreed with Ms. Delfino that budgets are not necessarily indicative of priorities.

Mr. Byrne asked what the overall process will look like and how priorities will fit into the decision making process.

Mr. Goyal said this is something the team has been discussing this in its monthly meetings. They think a team of experts from different agencies will need to work with the Commission in evaluating grant proposals. A ranking system could reside in the guidelines. He noted that 5% of the bond is set aside for program administration costs.

Mr. Santoyo noted that the \$3 billion in Chapter 8 of the proposed bond provides up to 50% of full project costs of any of the projects. He clarified that there is not real competition between projects because there is enough money that multiple projects can be funded.

Ron Jacobsma, of Friant Water Authority, stated that he liked the conversation on value. Laws are passed because they reflect society's values. Restoring fisheries needs to be done almost regardless of cost. It is a better value even though it may not pencil out economically.

Seeing no further public comment, Mr. Saracino adjourned the morning session at 11:35 a.m.

CWC Monthly Business Meeting
1:00 p.m., First Floor Auditorium

1. Welcome and Introductions

Chair Anthony Saracino called to order the meeting of the California Water Commission (Commission) at 1:05 p.m. At this time he noted that agenda item 12 was removed from the agenda due to an agreement between the landowners and the Department of Water Resources (DWR).

2. Roll Call

Executive Officer Sue Sims called roll. The following members were present: Andrew Ball, Joe Byrne, Joe Del Bosque, Kimberley Delfino, Luther Hintz, and Anthony Saracino. Danny Curtin was absent.

3. Approval of minutes

A motion was made and seconded to approve the draft minutes from the November, 16 2011 meeting. A vote was taken and the motion passed unanimously.

4. Executive Officer's Update

Executive Officer Sue Sims noted the members' binders contained a document titled "2011 Summary of Activities" as well as a presentation regarding the DWR's 2012-2013 budget. Both documents are available on the Commission's website. Ms. Sims informed the members that the Agricultural Water Measurement Regulations that were approved in November 2011 are currently under review by the Office of Administrative Law (OAL). A decision should be reached by February 2, 2012. It was also noted that Governor Brown described water as a "huge" issue in the State of the State Address given on the morning of January 18. Governor Brown stated the final elements of the Bay Delta Conservation Plan (BDCP) should be ready to announce by summer. Lastly, Ms. Sims mentioned there have been various press reports on the proposed Water Bond.

5. Action Item: Delegation of Authority to Executive Officer

Ms. Sims explained that a new Delegation of Authority is necessary, as the previous Delegation of Authority was made to her in capacity of Interim Executive Officer. The delegated authority includes hiring and management of staff, administering the budget, executing contracts, and other administrative functions. Actions, particularly on legal and fiscal matters, would be taken with the concurrence and/consent of the Commission. A typo in the Delegation was corrected from "Council" to "Commission." A motion was made and seconded to Delegate Authority to Executive Officer Sims. A vote was taken and the motion passed.

Ayes: Ball, Byrne, Del Bosque, Delfino, Hintz, Saracino

Noes: 0

Absent: Curtin

6. Action Item: Election of Commission Chair and Vice-Chair

Mr. Ball motioned to appoint Mr. Saracino to serve as another term as Chairman. The motion was seconded by Mr. Byrne. A vote was taken and the motion passed.

Ayes: Ball, Byrne, Del Bosque, Delfino, Hintz, Saracino

Noes: 0

Absent: Curtin

Mr. Del Bosque motioned to appoint Mr. Byrne to serve as Vice Chairman. The motion was seconded by Mr. Saracino. A vote was taken and the motion passed.

Ayes: Ball, Byrne, Del Bosque, Delfino, Hintz, Saracino

Noes: 0

Absent: Curtin

7. Informational Briefing on the California Water Commission's responsibilities related to Delta Special Flood Control Projects

An informational briefing was given by Mike Mirmazaheri, Program Manager of the DWR's Delta Levees Program, to explain the role of the Commission as it relates to Special Flood Control Projects. The purpose of these projects is to protect public benefits such as water quality, water supply, and local assets, as well as habitat restoration. Prior to the passing of Propositions 1E and 84 in 2009, the Delta Levees Program was utilizing \$6 million per year. Since 2009, the program is spending between \$26 million and \$115 million per year, although there has been a decrease in general funding. To date, approximately \$250 million has been spent through this program to protect assets and restore habitat in the Delta.

Ms. Delfino inquired if the Delta Levees Program is coordinating with the Delta Conservancy and Mr. Mirmazaheri said it is.

Mr. Saracino inquired about the timeframe of when the issues would come before the Commission. Mr. Mirmazaheri answered by saying the issues can be presented on a project by project or annual basis. Mr. Saracino opened the question up to the Commission. Mr. Byrne stated project by project would be nice, but annually may be best. Ms. Delfino asked for clarification on when in the process a list will be submitted to the Commission. Ms. Sims stated that in the absence of the Commission over the past many years, Project Solicitation Packages (PSP) were developed on a staff level and approved by management and the Director of DWR. A process for checking in with the Commission for approval or on an informational basis could be developed.

Water Code §12313 states the prioritized list based on the importance of public benefits needing protection and the need for flood protective work will be submitted to the Commission for approval. As this list was created prior to the appointment of the current Commission, staff will develop a proposal and bring it back to the Commission at the next meeting.

8. Informational Item: Discussion of process and schedule for the Water Commission's Strategic Plan

Rachel Ballanti, Commission Policy Analyst, presented a timeline for the development of a strategic plan. The Commission previously adopted a mission statement in April 1998 and did not have a strategic plan. Staff will work with the Commission and stakeholders to update the existing mission statement and develop a strategic plan to guide the Commission's projects and activities. A four-step planning process has been developed including:

January/February 2012:	Draft, Deliberate and adopt a revised Mission Statement
March 2012:	Develop a survey to analyze the proposed Mission Statement, send to Commission Members, public, etc., Discuss results and feedback
April 2012:	Draft Strategic Plan, Public Comment Period, Send to Commission and post online for feedback
May 2012:	Adopt Strategic Plan

9. Update on DWR Activities Related to Proposed Resolutions of Necessity for Properties in Sacramento and Solano Counties (approximately 1:30 p.m.)

Mr. Allan Davis, Chief of DWR's Delta Engineering Branch Real Estate Office, noted that items 11 and 12 would be removed from the agenda as they had both been settled.

Mr. Davis provided an update on the Resolution passed in November 2011 stating the Attorney General's (AG) Office is finalizing the necessary documentation and it is anticipated that they will file in the appropriate counties by the end of the month. Following that, the individuals will be served in the beginning in February. Prior to the landowners being served, DWR will meet with the AG's office to discuss guidelines for times and manner of serving of the documents to ensure it is executed in a professional manner.

Mr. Gordon Enas, Chief of DWR's Delta Engineering Branch, provided an overview of the Delta Habitat Conservation and Conveyance Program's Geologic Exploration Activities. In February 2008, former Governor Schwarzenegger requested four conveyance options to move surface water from the North Delta to the South Delta as a solution to deteriorating conditions in the Delta. Geotechnical field investigations are required for data in support of the preparation of environmental documentation, feasibility studies, and preliminary engineering needed to evaluate each conveyance option. The project description is stated in the notice of determination dated September 2010, and includes overwater and land geotechnical borings, performing cone penetration tests (CPT), and digging approximately 30 small test pits to investigate the engineering properties of the soils. DWR is currently lacking this data. Conveyance options include the all tunnel option, Westerly option, Easterly option, and through Delta Conveyance option. Funding has been obtained for this project through the State Water Project Annual Statement of Charges.

Public Comments

Melinda Terry spoke on behalf of the North Delta Water Agency and Central Valley Flood Control Agency. Ms. Terry commended DWR on improving their contacts with landowners and hopes the issues of "necessity and least private injury" will also be improved. Ms. Terry stated certain properties have one of two drilling sites where other properties have six. She also inquired if a comparison was done with neighboring public properties than could result in the same geotechnical data. Ms. Terry is glad Mr. Davis will be meeting with the AG and is appreciative of the update from DWR.

Mr. Saracino gave DWR the opportunity to explain why six borings are necessary when one or two could potentially suffice. Gordon Enas answered by stating more holes were sometimes necessary due to buried pipelines or pumping plants. The Department is looking at a variety of features including soil at different depths. DWR would like to ensure the entire description is captured and no data was overlooked.

Mr. Ball stated his understanding was the preliminary design, in order to obtain accurate cost and feasibility information, includes inlet structures and pumping plants. The collection of borings coincides with a pumping plant or other type of facility that is connected to the main line of the water transfer feature. Mr. Enas confirmed that understanding is accurate. Mr. Ball also confirmed DWR is using the least number of borings possible needed to collect accurate data, therefore the number could not be reduced.

Melinda Terry clarified her request, saying she would like documentation as to how DWR chose the specific number and location of borings. Ms. Terry would also like to know about analysis of neighboring properties. There is an additional concern that some borings are too close to the levees.

Mr. Ball stated there are two questions being asked there. One being proximity to structures along the line and the other regarding locations that may not be deemed appropriate. There is some ability to relocate a boring site if the location is bad.

Tom Keeling, an attorney representing several land owners, spoke on behalf of land owners in agenda items 15, 17, 18, 19, 20, 21, 23, 24, 26, 27, 30, 33, 34, 35, 37, and 38. He stated a concern regarding the identification of the project. The statutory offers identified the project as the Bay Delta Conservation Plan, which it is not, and others described geotechnical exploration as a project in itself, which it is not. Mr. Keeling concluded the geotechnical exploration is only necessary for a tunnel that he believes will never be built. He stated the second requirement under the code is to conduct these activities in the manner that produces the greatest public good and least private injury.

Mr. Keeling stated his clients have never received legal descriptions of the drilling locations, only vague maps. Some land owners may allow staking of the property by DWR but none are required to do so. Third, DWR must establish a necessity in taking the property for the project. Another concern is DWR's refusal to eliminate the testing for hazardous materials.

The clients of Mr. Keeling feel the proceeding is premature and the February 22, 2011 entry order will most likely be reversed by the court of appeal. Landowners still have not had appropriate time to obtain their own appraisals. Lastly, Mr. Keeling is concerned regarding the threat of DWR stating if landowners do not sign entry agreements, they will be forced to obtain a Resolution of Necessity and accommodations will no longer be available.

Dante Nomellini Jr. spoke on behalf of Central Water Delta Agency and landowners represented by Mr. Keeling. Mr. Nomellini clarified the San Joaquin County Judge only prevented DWR from getting permission from the court to do the preliminary surveys on a small portion of properties. He requested to see the resolutions that have been adopted. Additionally, in the minutes from November 16, 2011, it is stated "Within 120 days of completion of its geotechnical work on the property and at no cost to the landowner, the Department will quit claim its permanent easement in favor of the landowner or otherwise abandon its attempt to acquire a permanent easement on the property." Mr. Nomellini would like to know if that was incorporated into the resolutions as it does not make sense to him. The quit claim should occur within 120 days "no questions asked." He disagrees with the statement "or otherwise abandoned." He noted that the previous set of resolutions terminate in December 2013, however, the supporting Environmental document, only goes through December 2012. Lastly, he stated that hazardous materials testing is not necessary. A document provided by DWR did say they will be testing for hazardous substances.

Ms. Delfino inquired about the quit claim issue and Mr. Nomellini repeated the quoted quit claim agreement from the November minutes. She also inquired about whether or not DWR could do a preliminary entry and locate where they would need to drill. John Faser, Deputy Attorney General, stated the court previously denied DWR entry in the coordinated cases. DWR submitted a request for a lesser entry but it was denied because an appeal had been filed; the court stayed the issue. At this point, any additional requests for entry would be added coordinated cases and stayed, essentially precluding DWR from seeking additional entries.

Mr. Saracino inquired why testing for hazardous materials is crucial at this point. Mr. Davis stated DWR will only be conducting tests relating to geotechnical activities, unless there is evidence that hazardous materials may exist.

Suzanne Womack, partner in Clifton Court Limited Properties, stated she has not received any paperwork regarding this issue until recently. She feels she has not been properly served. She also requested a correction be made to addresses used for correspondence.

Mr. Keeling responded to Mr. Faser, stating Mr. Faser's interpretation is that as a result of the trial court proceeding in San Joaquin County, DWR would not be allowed Temporary Entry Permits (TEPs) to get accurate descriptions of the drill sites. Mr. Keeling stated this is not true. The April 2011 trial court order denied TEPs for geotechnical studies only to those properties in the petition. Mr. Keeling believes it would be feasible for DWR seek TEPs for the properties in today's proceedings.

10. -12. Action Items: Consideration of Resolutions of Necessity for properties in Sacramento and Solano Counties

Mr. Saracino informed the Commission that a voting majority for Resolution of Necessity still consists of a two-thirds vote, which is six members.

10. River Maid Land Co., RON 2011-14

Allan Davis noted this property was previously considered at the Commission's November 2011 meeting. At that time there was a discrepancy regarding the legal description and the attached map. The map was corrected and provided to the members. All access routes should now be within the boundaries of the individual parcel.

Daniel Wilson, part owner, spoke regarding this property. He stated the access road is in fact on the neighbor's property. DWR has staked the property. Mr. Wilson would like it to be on record that he agrees with the previous comments from Ms. Terry and both attorneys. Mr. Wilson is aware that pump #2 will be on his property and he believes his property will be destroyed if the project commences. He requested more specific drawings and plans, specifically a footprint of pump #2. The documents he has seen show DWR will be testing for all toxic substances. He requested a specific protocol on what will be tested, as well as access to the data. Attorney Spencer Kenner noted he will be looking into this information for him and someone from DWR or the Commission will respond to these requests. Again Mr. Wilson requested the specifications of the project. He also reiterated his comments from last month and stated the property has not been surveyed.

Ms. Delfino noted Mr. Wilson's property line seemed to be extended on the most current map. Mr. Wilson again stated the property lines have not been surveyed. Mr. Saracino said if the Commission moves forward with the resolution of necessity it would be made contingent upon DWR not trespassing and not entering the neighbor's property, which will be the responsibility of DWR. Mr. Saracino asked DWR to comment on the accuracy of the map. Allan Davis stated DWR is confident that the access road is on property owned by River Maid Land Co. Annette Lockhart, surveyor for DWR, stated no field surveys were performed to locate property lines. Record documents were utilized for this process in order to conform to the allotted time frame. Carolyn Dabney, Senior Land Agent for DWR, stated the Ranch Manager for River Maid Land Co. confirmed on January 17, 2012, the access road is located on land owned by River Maid Land Co. Mr. Wilson disagreed.

Mr. Byrne clarified the Commission should disregard all previous maps for this property, noting only the map that was received at the current meeting should be considered. He also stated that similar information provided to the Commission was used for voting on previous resolutions, and unless a survey will be conducted on all properties, the information already provided should be sufficient for making a decision.

A motion was made by Mr. Byrne and seconded by Mr. Del Bosque to approve the Resolution of Necessity. Ms. Delfino once again requested more accurate legal descriptions and maps be provided in the future. A vote was taken. Motion passed.

Ayes: Ball, Byrne, Del Bosque, Delfino, Hintz, Saracino

Noes: 0

Absent: Curtin

13. Update on DWR Activities Related to Proposed Resolutions of Necessity for properties in Contra Costa, Sacramento, and San Joaquin Counties

Mr. Davis confirmed no action will be taken on the following properties at the current meeting.

14. - 38. Informational Items: Initial Consideration of Evidence for Resolutions of Necessity for properties in Contra Costa, Sacramento, and San Joaquin Counties (No final action will be taken on these Resolutions of Necessity at this meeting)

14. Janice G. Adams, Bruce D. Dalton and Roberta Dalton Mora, RON 2012-01

Mr. Davis described the property as a 48.37± acre triangular shaped parcel currently planted with irrigated field crops. The property is located in an unincorporated area of Sacramento County fronting the Sacramento River and is situated five miles north of Hood. Access is from State Route 160, a two-lane maintained local thoroughfare connecting the Sacramento Delta communities and the Sacramento Metropolitan area.

Outstanding issues include concern that DWR's is seeking a permanent easement. Mr. Davis stated a temporary easement has been offered. The property owners have requested the drilling site be moved to the southern part of the property. DWR is currently evaluating the request.

The property owner was not present at this time.

15. Donald R. McClain & Barry A. McClain, RON 2012-02

Mr. Davis described the property as a 39.6-acre rectangular shaped parcel currently planted with irrigated field crops. The property is located in an unincorporated area of Sacramento County, fronting the Sacramento River, and is situated one-half mile north of Hood. The property is accessed from State Route 160, a two-lane maintained thoroughfare connecting the Sacramento Delta communities and the Sacramento Metropolitan area.

The owner is concerned about seepage caused by drilling. DWR has confirmed they will pay for any damages. No design modifications have been requested.

Tom Keeling spoke on behalf of this property. He expressed concern that the drilling is located over a pipeline and the land owners are concerned about seepage. Mr. Keeling stated Mr. Vasquez from DWR offered to relocate the drilling sites if an agreement is reached. He would like to know why they cannot be relocated if an agreement is not reached. He also expressed concern regarding filling the drill holes. Lastly, he expressed concern about the permanent verses temporary easement, and would like the temporary easement to be offered to all properties.

Mr. Keeling's general comments also apply to this property. Barry McClain, the land owner, was present.

16. Norman J. and Katherine Marks Trust, RON 2012-03

Mr. Davis described the property as a 40± acre rectangular shaped parcel currently improved with a two-story residence, a detached garage with possible in-law quarters, solar panels, and an agricultural building, and currently planted with a cherry orchard. The property is located in an unincorporated area of Sacramento County, adjacent to the Sacramento River and one mile west of Walnut Grove. The property fronts Isleton Road, a county maintained two-lane asphalt road servicing the area.

The owner's concerns include damage to the cherry orchard and irrigation systems. DWR assured the owner they will make every effort to avoid any damage and will pay for it if damage does occur. No design modifications have been requested.

The property owners were not present.

At this time, Chairman Saracino noted that Mr. Keeling's concerns from the previous agenda item would be addressed, and clarified that the Commission would address concerns raised at the meeting even if they did not ask follow-up questions.

17. Wurster Ranches, LP, RON 2012-04

Mr. Davis described the property as a 639.31± acre polygonal-shaped parcel that is currently planted with irrigated field crops, pear orchard, and a vineyard. The property is improved with two agricultural outbuildings of unknown size and quality and is located in an unincorporated area of Sacramento County, approximately 1.75 miles south of Hood and 6.5 miles northwest of Walnut Grove. The property fronts State Highway 160, which is a two-lane state maintained road that services the area, and Lambert Road, a two-lane county maintained road.

The owner is concerned that the drilling site is over a gas line. DWR is arranging a meeting to move the hole. No design modifications have been requested.

Mr. Keeling's general comments apply to this property. The property owner was not present at this time.

18. Greene and Hemly, Inc., RON 2012-05

Mr. Davis described the property as an 82.8-acre rectangular-shaped parcel improved with agricultural outbuildings, a residence, and a packing plant. Additional improvements include a pear orchard with an underground solid set irrigation system. The property is located in an unincorporated area of Sacramento County, fronting the Sacramento River approximately 10 miles north of Walnut Grove. The property is accessed from State Highway 160, a two-lane state maintained road, and Randall Island Road, a private road.

Mr. Saracino noted the access road goes outside of the property boundary. Mr. Keeling's general comments apply to this property. The property owner was not present at this time.

19. Greene and Hemly, Inc., RON 2012-06

Mr. Davis described the property as a 304.64-acre rectangular-shaped subject parcel including 154.64 acres of pear orchard and 150 acres of irrigated field crops and open land. The crops are flood irrigated and the pear orchard is irrigated by underground solid-set sprinklers. The property is located in an unincorporated area of Sacramento County and is approximately five miles southwest of Hood and 5.5 miles northwest of Walnut Grove. The property fronts State Highway 160, which is a two-lane state maintained road that services the area.

No owner concerns have been identified. During the TEP process, owner expressed opposition to the Bay Delta Conservation Plan (BDCP) and will not have any further discussion with DWR until concerns of the Farm Bureau have been addressed. No design modifications have been requested.

Ms. Delfino noted that Highway 160 is actually on the opposite side of the river from the property and it was incorrectly labeled on the map provided. She inquired what road would be used for access. Mr. Davis said the issue would be corrected.

Mr. Keeling noted the land owners are concerned about damage to trees and do not understand why a permanent easement is being requested. Mr. Saracino noted the temporary easement is obtained if no backfill will be used. Mr. Keeling added the permanent easement is not necessary in the meaning of the code. Mr. Ball mentioned the land owners were concerned about damage to trees and inquired why the land owners had not asked DWR to move the drill site. Mr. Keeling did not know the answer to his question.

Mr. Keeling's general comments apply to this property. The property owner was not present at this time.

20. Elliot Family Revocable Trust , RON 2012-07

Mr. Davis described the property as a 204.75-acre parcel located in an unincorporated area of Sacramento County approximately 2.25 miles south of Clarksburg and two miles west of Interstate 5. The property fronts State Highway 160, which is a two-lane state maintained road that services the area. The rectangular shaped parcel contains approximately 108 acres of newly planted apple, pear and cherry orchards, a 31.35 acre mature pear orchard, a 37.36 acre mature apple orchard, 20 acres of cherry orchard root stock, and a remaining 8 acres comprised of levee encumbered ground and unfarmable land. The entire orchard is drip irrigated.

The owner's concerns include the permanent easement; DWR has offered a temporary easement. No design modifications have been requested.

Jeff Carter spoke regarding this property. He mentioned there were a number of land owner concerns regarding this property. They met with Tom O'Neil of DWR, drove the property, and discussed each issue. Design modifications were requested. He would like it to be on record that DWR projects are being piled onto their land and they are being exposed to an excessive amount of loss. There are 10 drilling sites, 20 holes. What appears on the map to be open ground is actually trees ready for production. He would like a more specific reason as to why the drilling is necessary and a more specific location of the holes. He is concerned about access into an orchard and the timing of drilling interfering with harvest and farming.

Mr. Keeling's general comments apply to this property.

21. DBE Family Co., LLC, RON 2012-08

Mr. Davis described the property as a 72.39-acre polygonal-shaped parcel improved with agricultural outbuildings. Additional improvements include a pear orchard with an underground solid set irrigation system. The parcel is located in an unincorporated area of Sacramento County, fronting the Sacramento River approximately 10 miles north of Walnut Grove. The property is accessed from Randall Island Road, a private road.

Jeff Carter spoke regarding this property. All comments from agenda item #20 apply to this parcel as well. This parcel also contains 10 drill sites. The map does not seem accurate for his property. There are

three domestic wells within feet of the proposed drilling sites. Mr. Carter previously met with a representative of DWR. At that meeting, the representative stated they did not need the data from this parcel and stated it was “off the table.”

Ms. Delfino inquired why so many holes were necessary. Mr. Davis said the number of holes was currently being evaluated. Mr. Del Bosque asked if 14 days per hole is an accurate timeframe. Mr. Davis answered that the plan is to take 5 to 7 days per hole, the extra time is to allot for unexpected obstacles. Ms. Delfino reiterated to DWR that the activities are taking place during harvest operations. Mr. Davis said this would be taken into consideration.

Ms. Delfino inquired why this parcel was described as being “off the table.” Mr. Davis stated DWR is making an effort to reduce the number of holes. Mr. Carter corrected him in saying that was false. There was not a reduction of holes; the parcel was not to be a drilling site. Ms. Delfino asked for more diligence in what DWR brings before the Commission.

Mr. Keeling’s general comments apply to this property.

22. Clifton Court, LP; Alba C. Moore Survivor’s Trust, and the Moore Exemption Trust, RON 2012-09

Mr. Davis described the property as a 59.6± acre rectangular shaped parcel currently planted with irrigated field crops. The property is located in an unincorporated area of Contra Costa County, fronting Herdlyn Road and Clifton Court Forebay, and approximately five miles south of Byron. Access to the property is from Herdlyn Road, a local two-lane county maintained road.

No owner concerns have been identified and design modifications have not been requested.

Suzanne Womack spoke regarding this property. She stated that this property has been the subject of three eminent domain proceedings. DWR conducted extensive drilling on her property in 1999-2000, and again in 2009. She believes DWR has sufficient information about the property. Her tenants have planted alfalfa, a five-year crop, and they will have to farm around the drill site. She also stated she will have to take off work to monitor activities on her property. She asked why DWR could not drill on neighboring State owned property. She also feels the State pumps and fences on her property are not properly maintained.

Ms. Delfino inquired as to why the drilling could not occur next door to the property. DWR stated the need to drill on the property is due to the Forebay and they have not previously drilled to the depths needed for this activity. Ms. Womack requested a copy of DWR’s drilling activities in 2009.

23. Coney Island Farms, Inc., RON 2012-10

Mr. Davis described the property as an irregularly shaped parcel containing 480+ acres, improved with a 4,940 square foot, single family residence, and currently planted with irrigated field crops. The property is located in an unincorporated area of Contra Costa County on Coney Island. Coney Island, consisting of two parcels, is a secluded private island surrounded by a slough. Situated approximately 20 miles southeast of Byron, the property is accessed from West Clifton Court Road, a local, two-lane, county maintained road.

No owner concerns have been identified and design modifications have not been requested.

Mr. Keeling’s general comments apply to this property. The property owners were not present at this time.

24. Coney Island Farms, Inc., RON 2012-11

Mr. Davis described the property as an irregularly shaped parcel containing 534.49+ acres, improved with a farm worker residence and agricultural buildings, and currently planted with irrigated field crops. The property is located in an unincorporated area of Contra Costa County on Coney Island. Coney Island, consisting of two parcels, is a secluded private island surrounded by a slough. The subject parcel is situated approximately 20 miles southeast of Byron. The property is accessed from West Clifton Court Road, a local two-lane county maintained road.

No owner concerns have been identified and design modifications have not been requested.

Mr. Keeling's general comments apply to this property. The property owners were not present at this time.

25. Property Reserve, Inc., RON 2012-12

Mr. Davis described the property as a 303.75+ acre rectangular shaped parcel currently planted with irrigated field crops. The property is located in an unincorporated area of Contra Costa County, fronting Italian Slough on the south. The property is situated three miles east of Byron and northwest of Clifton Court Forebay. Access is from Byron Highway by Western Farms Ranch Road, an unpaved gravel farm road.

The owner's concerns include proper compensation including increased compensation for legal expenses. No design modifications have been requested. DWR has informed the property owners that legal fees cannot be reimbursed by the Department.

Ms. Delfino inquired about the access to this property. Mr. Davis stated he will work to be sure access has been confirmed.

The property owners were not present at this time.

26. Robert A. Sr., David and Kelley Dal Porto, RON 2012-13

Mr. Davis described the property as a 179+ acre trapezoidal-shaped parcel currently used for cattle grazing with no notable improvements other than livestock fencing. The subject property is located in an unincorporated area of Contra Costa County, fronting East Cypress Road and the Contra Costa Canal approximately five miles east of Oakley. The property is accessed from East Cypress Road, a local two-lane county maintained road.

The owner's concerns include the permanent easement; in response DWR has offered a temporary easement. The owners requested a new location for the access road, which DWR is currently evaluating.

Mr. Keeling's general comments apply to this property. The property owner was not present at this time.

27. Biagi Living Trust Agreement, RON 2012-14

Mr. Davis described the property as a 401± acre triangular-shaped parcel currently planted with irrigated field crops. The property is located in an unincorporated area of San Joaquin County fronting Guard Road and White Slough approximately 10 miles west of Lodi. The property is accessed from Guard Road, a local two-lane county maintained road.

No owner concerns have been identified and design modifications have not been requested.

Mr. Keeling's general comments apply to this property. The owners were not present at this time.

28. Delta Wetlands Properties, An Illinois General Partnership, RON 2012-15

Mr. Davis described the property as two irregular-shaped Assessor's Parcel Numbers (APN). APN 069-030-37 is a 1,434± acre irregularly-shaped parcel, currently planted with irrigated field crops with no observable improvements, and situated south of State Route 12. APN 069-030-38 is a 148± acre irregularly-shaped parcel situated north of State Route 12, and improved with farm worker housing and out buildings. The property is located in an unincorporated area of San Joaquin County, on the western portion of Bouldin Island, approximately 16 miles west of Lodi. Access to both parcels is from State Route 12, a two lane state maintained highway.

Mr. Davis moved on to a description of the next Delta Wetlands property, so the properties could be discussed together.

29. Delta Wetlands Properties, An Illinois General Partnership, RON 2012-19

Mr. Davis described the property as six separate parcels located on Bacon Island plus four parcels utilized for access only, totaling approximately 1,362 acres. The entire island is planted with irrigated field crops, Crops are flood-irrigated with water received from the subject ownership's riparian rights to the surrounding waterways. Bacon Island is south of Mandeville Island, west of Mildred Island, and north of Woodward Island; located in an unincorporated area of San Joaquin County. Bacon Island is approximately 2.25 miles northeast of Discovery Bay and nine miles west of Stockton.

The owner has requested double the compensation offered by DWR to cover the owner's expenses. DWR has expressed to the owners that DWR cannot provide reimbursement for legal expenses. No design modifications have been requested.

The property owner was not present at this time.

Mr. Davis noted the agenda items would be taken out of turn based on property owners present at the time.

36. Tsakopoulos Family Trust, RON 2012-23

Mr. Davis described the property as an unincorporated area of Sacramento County, approximately one mile south of Hood and six miles northeast of Walnut Grove. The property is a polygonal shape consisting of 377.45 acres and is currently planted with flood-irrigated field crops. The subject parcel has no road frontage; access is through the ownership's property to the north or through the levee road of Reclamation District 813.

The owner is opposed to the Bay Delta Conservation Plan (BDCP) and would like the drill site either removed or relocated to land owned by Sacramento County. DWR feels the Sacramento County land will not suffice due to the distance from the proposed drilling site. No design modifications have been requested.

Kate Wheatley represented this property. Ms. Wheatley noted that she has sent two letters to the Commission. She corrected the staff report, noting the property owner does have specific concerns related to geotechnical activities. These include both legal and site specific concerns. The property owners have been in contact in DWR and while DWR has responded to them, the requested information has yet to be provided. Ms. Wheatley stated the description of the project is not adequate. It is difficult for the property owners to evaluate the proposal without additional information. DWR has verbally stated that the total depth of the drill hole will be 100 feet and the work will only take one day, however

this information was not provided in writing nor included in the staff report and Ms. Wheatley requested that it be added. She would like to know the details of the settlement on the Delta Ranch Property as it is in close proximity to the subject property. There was also a concern about the access road.

35. Arnaudo Bros. LP, Arnaudo Bros. Inc., RON 2012-22

Mr. Davis described the property as a 1,292± acre “L” shaped parcel currently planted with flood-irrigated field crops. The property is located in an unincorporated area of San Joaquin County and is approximately six miles east of Discovery Bay and eight miles southwest of Stockton. The property fronts Clifton Court Road, which is a two-lane county maintained road that services the area.

No owner concerns have been identified. The owner has made a request for design modification which DWR is currently evaluating.

Steve Windham spoke on behalf of this property. His concerns include future land locks, drainage and seepage problems if the peripheral canal goes through the property.

Mr. Keeling’s general comments apply to this property.

38. Lucille Christensen Family Trust; Lorraine L. Croup 1992 Trust, RON 2012-25

Mr. Davis described the property as an 8.46± acre rectangular shaped parcel improved with a single family residence and small shop, and currently planted to row crops. The property is located in an unincorporated area of Sacramento County, along the Sacramento River, approximately two miles north of Hood. The property is accessed from State Route 160, a two-lane maintained local thoroughfare connecting the Sacramento Delta communities and the Sacramento Metropolitan area.

No owner concerns have been identified and design modifications have not been requested.

Mr. Keeling spoke on behalf of this property. The owner’s concerns include damage to roads in wet weather and noise. They request DWR be particularly careful about the weather in which the activities take place and the level of noise. The owners also requested a copy of the resulting data from the activities.

Mr. Keeling’s general comments apply to this property. The owners were present at the time.

37. Mark Scribner, Jr. Successor Trustee, Grace M. Scribner Living Trust, RON 2012-24

Mr. Davis described the property as a 58+ acre irregular shaped parcel currently planted with irrigated field crops. The property is located in an unincorporated area of Sacramento County, 3.5 miles north of Hood and fronting the slough feeding into Stone Lakes. The property is accessed from State Route 160, a two-lane maintained local thoroughfare connecting the Sacramento Delta communities and the Sacramento Metropolitan area.

The owner’s concerns include the permanent easement; a temporary easement has been offered. The owner requested the drilling site be relocated to the Western portion of the parcel. DWR has complied.

Mr. Keeling spoke on behalf of this property. He stated Mr. Scriber appreciates the compliance of the DWR with respect to the drill site location and would also like to request no permanent easement. Mr. Scribner would also like a copy of the resulting data from the activities.

Ms. Delfino inquired about the access road. DWR stated they pay to use the road.

Mr. Keeling's general comments apply to this property. Property owner was not present at this time.

Mr. Carter inquired if his second parcel of land, discussed in Agenda Item #21, was still under consideration for a Resolution of Necessity. Chairman Saracino recommended Mr. Carter continue to work with DWR.

30. Venice Island, Inc., RON 2012-16

Mr. Davis described the property as a 1,613.0+ acre irregularly-shaped parcel currently planted with irrigated field crops. The property is located in an unincorporated area of San Joaquin County, and is approximately the lower half of Venice Island. Venice Island is a secluded private island with two ownerships and is surrounded by sloughs and rivers. The island is situated approximately 15 miles northwest of Stockton, at the west end of Eight Mile Road and is only accessible via a private ferryboat connecting from Eight Mile Road, a local two-lane county maintained road.

No owner concerns have been identified and design modifications have not been requested.

Mr. Keeling's general comments apply to this property. The property owner was not present at this time.

31. CCRC Farms, LLC, RON 2012-17

Mr. Davis described the property as a 300.75± acre irregular-shaped parcel improved with a 10,000 square foot club house residence for waterfowl hunting, large metal agriculture buildings, and irrigated field crops. The property is located in an unincorporated area of San Joaquin County on Mandeville Island. Mandeville Island is a secluded private island surrounded by sloughs and rivers. The property is situated approximately 22 miles west of Stockton and is accessed via a private bridge that connects to Bacon Island Road, a local two-lane county maintained road.

The owner's concerns include potential flooding due to drilling. Negotiations are in review and DWR hopes to settle in the near future.

The property owner was not present at this time.

32. Tuscany Research Institute, CCRC Farms, LLC, RON 2012-18

Mr. Davis described the property as a 4,052.1± acre irregular-shaped parcel improved with two doublewide mobile home residences with separate garage buildings, and currently planted with irrigated field crops. The property is located in an unincorporated area of San Joaquin County on Mandeville Island. Mandeville Island is a secluded private island surrounded by sloughs and rivers. The property is situated approximately 22 miles west of Stockton and can only be accessed via a private bridge that connects to Bacon Island Road, a local two lane county maintained road.

The owner's concerns include potential flooding due to drilling. Negotiations are in review and DWR hopes to settle in the near future.

The property owner was not present at this time.

34. Carolyn A. Nichols Revocable Living Trust; Eileen V. Nichols Revocable Living Trust and Victoria Island, L.P., RON 2012-21

Mr. Davis described the property as a 3,760± acre polygonal shaped parcel planted with flood- irrigated field crops. The crops are irrigated with water received through the assumed riparian rights to Old River and Middle River. The property is located in an unincorporated area of San Joaquin County just southeast of Discovery Bay, approximately nine miles northwest of Tracy and 8.5 miles southwest of Stockton. The property fronts State Highway 4, which is a two-lane state maintained road that services the area.

No owner concerns have been identified and design modifications have not been requested.

Mr. Keeling's general comments apply to this property. Property owner was not present at this time.

33. The Conrad and Berniece Silva Revocable Trust, and The Conrad Silva Exempt Marital Deduction Trust, RON 2012-20

Mr. Davis described the property as a 911.26 acre 'L' shaped parcel located in an unincorporated area of San Joaquin County approximately 1.25 miles east of Discovery Bay, 11.50 miles northwest Tracy, and 11 miles west of Stockton. The property is planted with flood-irrigated field crops and is irrigated and uses water received from its riparian rights to Old River. Access to the property is from a ferry moored at the end of Bacon Island Road, on the opposite side of Middle River, and by levee roads.

No owner concerns have been identified and design modifications have not been requested.

Mr. Keeling's general comments apply to this property. Property owner was not present at this time.

Mr. Saracino asked Mr. Davis to explain the next step that will take place in February. Mr. Davis stated DWR is trying to address outstanding issues and settle some parcels. If DWR is unsuccessful the parcels will be brought before the Commission to vote on Resolutions of Necessity.

Mr. Saracino stated the top tier issues include the accuracy of the maps, real necessity of the boring sites being located where they are, and the hazardous materials issue.

39. Consideration of items for next California Water Commission meeting

Topics for upcoming CWC meetings include the following: resolutions of necessity, agricultural water measurement regulations, the strategic plan, Committee assignments, and a proposal of the Commission's role in the Delta Special Projects Program. The next meeting date will be February 15, 2012, with plans for a full day meeting.

40. Public Comments

None.

41. Adjourn

The meeting was adjourned by Chair Saracino at 4:41 p.m.

Further information regarding this meeting will be available at www.cwc.ca.gov. The afternoon session of the meeting will also be available for public viewing through a live webcast. The webcast will be available at the following URL:

<http://cawater.rmxpres.com/webcast/data/dwr01182012/main.htm>