



## **Draft Meeting Minutes**

### **Meeting of the California Water Commission**

**Wednesday, September 19, 2012**

State of California, Resources Building  
1416 Ninth Street, First Floor Auditorium  
Sacramento, California 95814  
Beginning at 9:30 a.m.

#### **1. Welcome and Introductions**

Chairman Anthony Saracino called the meeting to order at 9:32 a.m.

#### **2. Roll Call**

Executive Officer Sue Sims called roll. Andy Ball, Joe Byrne, Danny Curtin, Joe Del Bosque, Kim Delfino, Luther Hintz, and Anthony Saracino were present.

#### **3. Approval of Meeting Minutes**

A motion was made and seconded to approve the draft minutes from the August 15, 2012 meeting. A vote was taken and the motion passed unanimously.

#### **4. Executive Officer's Report**

Ms. Sims provided the Executive Officer's update. Governor Brown recently signed SB 71 which eliminated approximately 200 statutorily required reports that were deemed unnecessary. One eliminated report required the Commission to notify the Legislature and Administration in writing in the event of a policy dispute between the Commission and the Director of the Department of Water Resources (DWR). Commission meeting webcasts and online access to minutes and other activities allow for information about any disputes with DWR to be provided to the Legislature, the Administration, and other interested parties without requiring a separate written report. At the last Commission meeting, Mr. Bob Gore, a private consultant, spoke regarding work being done on ecosystem services at the California Department of Food and Agriculture and the California Department of Conservation, which relates to the work of the Commission. Ms. Sims will meet with Mr. Gore on this topic. Additionally, the Commission plans to invite Dr. Mark Nechodom, Director of the Department of Conservation, to an upcoming meeting to brief the Commission on ecosystem services. Mr. Curtin previously mentioned energy and power issues as they relate to the State Water Project (SWP). In response, Veronica Hicks, Chief of the SWP Power and Risk Office, will brief the Commission on this

topic in November. Ms. Sims recently represented the Commission on two water panels. The first was a finance planning session at the California Water Plan plenary session in September. Other participants on the panel included representatives from the State Assembly, Senate, USDA, The Nature Conservancy, Clean Water Action, the California Urban Water Agencies and the Association of California Water Agencies (ACWA). Ms. Sims noted that the Commission will be briefed on the California Water Plan Update 2013 at the October meeting. The second panel was an overview of current and future California water issues for institutional investors interested in infrastructure financing.

#### **5. Update on DWR's Federal Advocacy program**

Dave Gutierrez, Chief of DWR's Division of Safety of Dams, provided an overview of the Department's Federal Advocacy program, which is currently being reorganized. Proposition 1E, passed by California voters in 2006, required the Department to develop a program to advocate for increased federal funding for levee rehabilitation and other aspects of the FloodSAFE program. The Department had an active program in Washington D.C. from 2007 to approximately 2011 in coordination with the Governor's Washington D.C. office, however the DWR staff person in charge of the program recently retired. Mr. Gutierrez and others at DWR are developing a strategy to continue the program. The program will provide Congress with information and state funding requests for FloodSAFE projects, the Central Valley Flood Protection Plan, levee repair work, and other flood management activities. The program will also work to achieve more effective funding and regulatory programs and working relationships with the U.S. Army Corps of Engineers. The topic of levee vegetation will continue to be addressed with federal agencies.

Mr. Byrne asked about the Commission's past and future roles in the Federal Advocacy program. Mr. Gutierrez noted the point of this briefing was to update the Commission on DWR's work and see how the Commission could better integrated. The FloodSAFE program is very focused on one topic, whereas the scope of the Commission is broader. Ms. Sims noted that historically, during the time the SWP was being built, the Commission had a more engaged role in the Federal Advocacy. Commission staff may wish to work closely with Mr. Gutierrez to identify the potential role of the Commission. The role should reflect the statutory responsibility of the Commission to assist in securing funds for flood and regulatory issues and federal funding for issues related to water projects and coordinate with other local and state agencies.

Mr. Curtin believes the Commission should have a more involved role in issues such as levee vegetation. He would like to see the Commission involve the California delegation

on this issue. Mr. Gutierrez has tried to involve the delegation, but could use more support and would appreciate the Commission lending their influence to the issue.

Mr. Byrne noted that perhaps the Commission should do an independent review of federally funded projects.

## **6. Briefing on DWR's Division of Safety of Dams**

Dave Gutierrez provided an overview of DWR's Dam Safety program. California's first Dam Safety program began in the early 1900s after several dam failures resulted in many deaths. Private dams were not regulated until the St. Francis Dam failure in 1929. This failure resulted in the development of the Division of Safety of Dams, whose mission is to prevent dam failure for the purpose of safeguarding lives and property. The program was originally funded through the state's General Fund. In 1993, fees were established for dam owners. These fees were added to the General Fund, which accounted for 75-95% of program funding. In 2003, the program was forced to find alternative funding sources. The fees for dam ownership increased significantly and today the program, which costs approximately \$11 million and has 60 full time employees, is funded entirely by dam owners. California has some of the largest dams nationally and internationally, along with a very high population. This risk of having a dam failure is very high. Therefore, the program is one of the strongest in the nation. A current challenge for this program is aging infrastructure. Issues associated with aging include loss of capability, but also dams were built under an older standard.

DWR's program has many components, one of which is reviewing applications for new dams or modifications to existing dams. Approximately 12 new dams are built annually in California. Another activity is working to better understand how older dams were built and how they may respond during a flood or earthquake. The Program performs annual inspection of dams to track changes, and participates in dam construction and supervision. Mr. Gutierrez showed a photograph of the Lower San Fernando Dam in 1971 after an earthquake caused the dam to settle into a reservoir, leaving two to four feet of the dam above water. The crest was originally 40 to 50 feet above the water. Since then, the Dam Safety Program has a much better understanding of seismic issues, and evaluates all potentially affected dams after an earthquake.

The program is currently working on Calaveras Dam. Construction on the dam began in 1913; the dam failed during construction in 1918. The current dam was then built on top of the material from the failed dam. DWR has evaluated the dam and found a fault within 700 feet of it. DWR predicts that an earthquake could cause this dam to fail. Due to a high surrounding population, DWR has required the owner to reconstruct the dam.

The San Clemente Dam in Carmel Valley was built in 1922. DWR predicts that the dam could fail in an earthquake. Additionally, the reservoir has filled with sediment and DWR has required the owner to fix it. The dam also prevents fish passage. A solution to the problem has been in the works for 20 to 30 years. The reservoir has been lowered to reduce risks associated with the dam. The river will be moved, as removing the sediment is too costly. Then the dam will be removed.

The San Diego Water Authority (SDWA) is currently increasing the height of San Vicente Dam by approximately 100 feet. SDWA is using the reservoir for emergency water storage. Construction is being done via a new method called roller compacted concrete.

Next, Mr. Gutierrez discussed national dam safety activities. There are approximately 90,000 state regulated dams throughout the country. A series of failures of dams such as Kelly Barnes Dam in 1977, Buffalo Creek in 1972, and Teton Dam in 1976 led to federal regulations on dam safety. These included the National Dam Safety Act and the National Dam Safety Program. Programs vary between states based on populations and political support. Current challenges include refining evaluations and securing funding nationwide.

Mr. Saracino asked if all consequences of moving of the river near the San Clemente Dam have been evaluated, as similar efforts in the past had not been successful. Mr. Gutierrez explained the topography surrounding the river and how the move is expected to work. DWR staff is still studying the move.

Mr. Del Bosque asked how common it is to have sediment behind a dam. Mr. Gutierrez stated it is an issue in many dams in western California due to more erodible surrounding rock. It is a difficult challenge due to the cost of removing sediment. Most dams are able to deal effectively with the sediment. Historically, sediment was sluiced, however, that practice is no longer common.

Mr. Hintz asked what size reservoir falls under the jurisdiction of the state. Mr. Gutierrez said DWR's jurisdiction is based on the height of the dam and the size of the reservoir behind it; the dam must be 25 feet in height or have 50 acre feet of water to be considered a jurisdictional dam.

Mr. Curtin asked why sluicing the dams is no longer practiced. Mr. Gutierrez said it is very uncommon now, most likely due to environmental laws.

## **7. Update on State Water Project workshop**

Ms. Sims provided an update on the State Water Project workshop. The Association of California Water Agencies will meet this fall to discuss current water issues. The Commission has been asked to participate at a town hall session during the conference on

Wednesday, December 5. The Commission will host a public dialogue on the State Water Project, focusing on challenges and opportunities within the project including energy efficiency, multiple benefits and sustainability. The workshop will help meet the Commission's statutory responsibility for the annual review and inspection of the construction and operation of the State Water Project. (Water Code § 165) More information such as confirmed participants and topic areas will be available by October. There is an ongoing discussion regarding Commission participation in the California Water Summit and a workshop with the State Contractors, both scheduled for Spring 2013.

**8. Action Item: Consideration of 2012 Strategic Plan and Update on Commission workplan**

Rachel Ballanti, Commission Policy Analyst, presented a revised version of the draft strategic plan for potential approval by the Commission. The process for the strategic plan began in March 2012 when the mission statement was approved. A draft strategic plan was presented at the Commission's June meeting and was, upon approval, sent out for a 30 day public comment period. In August, comments provided by interested members of the public, federal agencies, DWR staff, and consultants were reviewed and incorporated into the plan with guidance from the Commission.

Ms. Delfino stated the new version is excellent and although there were only five comments, they were very useful. Mr. Ball concurred with Ms. Delfino and stated the mission statement is very clear and concise. At this time, a draft workplan was provided to the members of the Commission for their review. A motion was made and seconded to approve the strategic plan. A vote was taken and the motion passed.

Ayes: 6 Noes: 0 Absent: 1

**9. Discussion of Commission priorities and next steps concerning Quantification of Public Benefits issues**

Ajay Goyal provided the Commission with a status update regarding next steps on Quantification of Public Benefit issues. In August, draft documents were provided to the Commission members including the draft Report on Economic Tools and Methods, the working draft of the regulation language, the working draft initial statement of reasons, working draft guidelines, and the list of priorities from the State Water Board (SWB) and the Department of Fish and Game (DFG). While working on these documents, staff developed a list of questions for Commission input. The questions fall into two categories, one being "substantive issues regarding quantification, cost sharing, management and

application requirements” and the other being “the review, evaluation, and ranking process.”

Roger Mann reviewed the first category of questions, “substantive issues regarding quantification, cost sharing, management and application requirements,” which include the following questions:

- Is water quality is a public benefit or is it only a benefit to those receiving the improved water? Should it be funded through public funds or the by the people receiving the benefit?
- Where would the Commission limit what qualifies as a recreation benefit?
- Should all benefits that result directly from an ecosystem improvement count towards the minimum of 50% standard? Does improved water supply that results from an ecosystem improvement count towards the minimum standard for ecosystem benefits and is it eligible for public funding? For ecosystem benefits, must native fish and wildlife hold a special status in the quantification and ranking?
- What is the role of federal funding in cost share and benefit calculations?
- How will the Commission evaluate a request to fund the completion of environmental documentation given that the draft environmental documentation is required for the application to be eligible for funding? Could funding be provided only for finalizing the document or could it be provided to reimburse for the draft document or an already completed document?
- What approaches could be used to manage public benefits? The regulations must include methods of management for public benefits. There are several ways to require the projects to provide public benefits.

Economist Steve Hatchett reviewed the second category of questions, “the review, evaluation, and ranking process,” which include the following:

- How should state money be apportioned?
- Should availability of federal funding be taken into consideration?
- Should there be separate rankings for different aspects of the evaluation process? How would benefits that are not in monetary terms be weighed?
- How will the Department of Fish and Game (DFG) and the State Water Board (SWB) priorities compare to the assessment of benefits?
- How would the review panel be structured?

Mr. Saracino suggested the Commission consider the list of questions for approval and ask staff to provide an analysis of a few questions at each meeting. Mr. Ball suggested categorizing the questions further and creating a philosophical approach to see which questions are most relevant before looking into individual questions. Mr. Curtin expressed concern that the projects should add to the entire system as much as possible. Mr. Saracino stated the Commission's responsibility is to develop a process to rank the public benefits. Ms. Delfino said she is not prepared to discard certain questions at this point but would like to further categorize the questions. She would like input from staff that includes differences of opinion and the rationale for those differences. Mr. Saracino agreed there is value in looking at big picture questions first and asked Mr. Ball to prioritize those questions. Mr. Ball agreed, and stated that to determine cost effectiveness, you must look at value received for each project, not only lowest cost. Defining key terms will establish the Commission's ability to answer these questions. Mr. Byrne requested to have a copy of the actual statute at every meeting. He also expressed concern that too much technical analysis of projects could overpower the human decision making process. Ms. Delfino pointed out the Commission's specific role is to develop and adopt regulations on methods for quantification and management of public benefits. She also suggested inviting other perspectives into the decision-making process. Mr. Curtin recommended inviting potential applicants to take part in developing the methods as well.

Mr. Goyal clarified the rationale behind the questions presented. The statute states the Commission's role is to develop regulations, review the applications and required documentation, and award the funding. Reviewing the application and awarding the funding do not fall into the regulations; they would fall into the guidelines. Staff decided to prepare regulations and guidelines at the same time so that nothing is missed and everything will be covered in either the regulations or in the guidelines. That is why the questions before the Commission relate to both. He agreed to reorganize the questions and separate questions on the regulations from questions on the guidelines.

Mr. Curtin asked when the regulations will need to be submitted if the Water Bond is passed by voters in 2014. Mr. Kenner said the Commission will have one year from the day of submission to the Office of Administrative Law (OAL) to complete the regulations. He clarified that it is within the Commission's preview to address questions related to public benefits prior to the passage of the bond, but not to submit a draft regulation package to OAL. The Commission could theoretically have a regulation ready for submission to OAL soon after the 2014 election.

Mr. Del Bosque asked if these questions have already been formulated in other projects and if there are precedents that may be followed. Mr. Goyal stated he would include past examples in the summaries of each question.

Mr. Mann stated he will lay out a range of solutions for each question and include pros and cons of each. Mr. Hatchett said staff will separate questions that relate to the regulations and relate to the guidelines. Staff has taken a broader view in the regulation beyond just developing quantification methods. The Commission may wish to consider if they would like to include issues beyond quantification and management in one regulation or if they should be developed in separate processes. Mr. Saracino suggested doing them separately in order to meet the Commission's initial responsibility of developing quantification methods.

A revised list will be developed and Mr. Saracino and staff will choose certain topics for deliberation at the October meeting.

#### **10. Briefing on DWR Climate Change activities**

Elissa Lynn, Program Manager of DWR's Climate Adaptation Program, provided an overview of DWR's current climate change activities. The department is being responsive to the impacts of climate change in California and responsible by adopting mitigation and adaptation strategies for changing hydrology. The Climate Adaptation Program has prepared several technical reports, worked with public outreach, and drafted and released the first State Agency Greenhouse Gas Reduction Plan to meet goals to reduce energy use. Other goals of the program are to provide regionally specific information to programs and projects within DWR, develop documents, assess and synthesize research, data and tools, and topical content for management issues regarding a warming climate. The state currently faces challenges such as sea level rise, reduction of snow pack, and a higher winter time peak flood flow.

Recent accomplishments of the program include the Data Analysis Memorandum Report, which is a record of weather observations. The records are taken by volunteers in the State, but the number of participants in this program is declining. There has also been a decrease of funding for climate observation and record keeping, which provides valuable information to determine change.

The program recently completed the Greenhouse Gas Emission Reduction Plan. DWR is set to exceed and maintain AB 32 and the Executive Order goals for GHG reduction, which are to reduce emissions by 50% from the 1990 level by 2020 and by 80% from the 1990 level by 2050. Additionally, the program recently completed the Climate Change

Handbook for Regional Water Management, which explains how to best approach climate change. This technical information changes very rapidly, and the handbook informs readers where to get the most current data.

Climate Literacy training classes are available to DWR employees. There are two courses; one explains climate issues and how they relate to work in water management and the second is for managers who work with CEQA, planning, and climate modeling.

Another aspect of the program is the Climate Change Technical Advisory Group (CCTAG), which consists of 15 members. Each member is an expert in various areas of climate change. The group advises the department and provides assistance in this area. CCTAG is currently supporting the Central Valley Flood Protection Plan and is reviewing the 2012 Climate Adaptation Strategy.

Mr. Saracino asked if the program is involved in the Intergovernmental Panel on Climate Change (IPPC) Assessment Report 2014. Ms. Lynn stated Maurice Roos is involved with the report and CCTAG will help to obtain information for the department from the report. Mr. Hintz asked about the Delta Island subsidence reversal and how subsidence is reversed. Ms. Lynn explained additional materials are planted to absorb carbon. That project looks into timelines and the amount of plant growth required for efficient absorption of the carbon.

#### **11. Briefing on the National Research Council's Study on Sea Level Rise and DWR work on coastal inundation**

Jeanine Jones, DWR Interstate Resource Manager, provided an overview on the National Research Council's study on Sea Level Rise and DWR's work on coastal inundation. A cooperative partnership with other western states and the federal government was created for a study on sea level rise. This was motivated by a 2008 Executive Order, which was created after the last IPCC report showed a relatively low projection for sea level rise. The scope of the study was to estimate the global sea level rise for 2030, 2050, and 2100 and then translate this data into regional terms for the west coast. Since the IPCC report, a more thorough understanding of land based ice has been developed, resulting in more accurate projections. While translating global data to reflect a west coast projection, many contributors were taken into consideration such as sloshing of the Pacific, tectonics and the triple junction in northern California. An earthquake in this area would cause a very rapid sea level rise. The study area was divided between north and south of Cape Mendocino. Uncertainty increases as you look further into the future. Scientists expect a one foot increase in sea level rise by midcentury and a one meter increase by the end of the century for the California coast.

DWR also studies flooding and coastal damage. Coastal damage is a result of winter storms. Sea level rise magnifies the effects of these storms and this effect will increase further into the future. The Ocean Protection Council has tools that can help. The work of the California Coastal Commission and Bay Delta Conservation Commission is planning for future land use, zoning and regulatory practices to limit new development in areas predicted to be under water in the future. A near-term tool is the ability to improve weather forecasting for extreme events and work on emergency response. DWR is working with National Oceanic and Atmospheric Administration on the atmospheric river and the Hydrometeorology Testbed (HMT) Program. The first atmospheric river observatory will be installed in November 2012 near Bodega Bay.

Mr. Saracino asked if the predicted range of temperature and precipitation is headed towards a general consensus. Ms. Jones stated predicted temperature has been agreed upon according to region. Precipitation is much harder to predict, especially in uncertain regions. The temperature will affect snowpack, regardless of the amount of increase in precipitation.

#### **12. Consideration of items for next California Water Commission meeting**

Topics for the October meeting include additional discussion on public benefits, the Commission's draft workplan, the California Water Plan, groundwater enhancements, investments in Delta Special Projects, flood planning in the Central Valley, statewide flood planning activities and an update on levee vegetation.

#### **13. Public Comments**

None.

Mr. Saracino adjourned the meeting at 11:57 a.m.