California
WATER COMMISSION

Meeting Minutes

Meeting of the California Water Commission
Wednesday, January 16, 2013

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 Joe Byrne called the meeting to order at 9:31 a.m.

2. **Roll Call**

   Executive Officer Sue Sims called roll. Andy Ball, Joe Byrne, Joe Del Bosque, Luther Hintz, and Anthony Saracino were present, constituting a quorum. Kim Delfino arrived at 9:35 a.m.

3. **Approval of Meeting Minutes**

   The draft meeting minutes from the December 12, 2012 meeting were reviewed. No changes were made.

4. **Executive Officer's Report**

   Ms. Sims provided the Executive Officer's update. She noted she would present a proposal for a public benefits workshop and the 2012 Annual State Water Project Review later in the meeting. The Commission members were provided the copies of 2012 Commission Activities Summary, a handout on the Bay Delta Conservation Plan (BDCP), and information on upcoming Water Education Foundation tours. A briefing on BDCP is scheduled for the February meeting. Commission Counsel Spencer Kenner provided an update on two issues regarding the Resolutions of Necessity (RON). The temporary entry permits cases have been appealed; a date for the hearing has not been set. There was a procedural issue with the Eminent Domain cases; DWR was required to re-file the cases to include additional property interests, many of whom were public entities. The respondents have objected. Hearings will be held in two counties in February and May. The Commission may need to make an additional finding that DWR's use of the land is as important as or more important than other public entities with an interest in the land. DWR may need to bring some approved RONs back to the Commission for additional consideration.

5. Legislative Update

Kasey Schimke, DWR Assistant Director for Legislative Affairs, provided an overview of current legislation affecting water, the 2013-14 legislative calendar, and changes to legislative membership. The State Senate has 10 new members, nine of whom have previously served in the State Assembly. The State Assembly has 38 newly-elected members. There are a few proposed water quality bills and one bill regarding Salton Sea management. Three bills have been introduced that relate to water bonds. Two are brief and declare intent to enact legislation to reduce the current water bond amount. The third, Senator Wolk's SB 42, would repeal and replace the existing proposed bond. He reviewed the specific elements of SB 42 including Delta Security and Recovery, Regional Water Supply, Clean Drinking Water, Protection of Rivers, Lake and Watershed, Statewide Water Supply improvements, and Flood Protection, noting that dollar amounts are not yet included.

Mr. Saracino clarified that the intent of these new proposed bonds is likely to lower the dollar amount of the current bond. Mr. Curtin noted the definition of public benefits is more constrained in SB 42 than the existing bond. Mr. Saracino added this bond seems less focused on ecosystem protection. Mr. Curtin and Ms. Delfino requested regular briefings on proposed bonds, the Bay Delta Conservation Plan, and the Salton Sea budget and legislation. Ms. Delfino noted that as the bond is being revised the Commission has an opportunity to ask for clarification of public benefits definitions, and perhaps provide input to the authors on the definition of public benefits.

6. Proposal for Public Benefits Workshop

Ms. Sims presented options for the format of the March workshop on public benefits. At previous meetings, staff outlined issues regarding public benefits including water quality, ecosystem, and recreation. The next steps are for staff to prepare concept papers, solicit public comment, and hold a workshop on these issues. Ms. Sims asked for Commission feedback on the format, content, and desired outcome of the workshops. There are several options for the format of the workshop. The first is to have focused presentations on each topic by DWR staff and consultants, followed by public input and questions. The second option is to have a presentation on each of these topics and have panelists address those issues and provide feedback. Public comment would also be solicited. A third option is to have a case study on proposed or past projects including surface storage, groundwater, and conjunctive use. Discussion would focus on how the Commission's decisions would potentially impact each project. Commission members asked for a workshop combing all three options with the intent to answer outstanding

questions from the August 15, 2012 meeting. Public input will also be solicited. The workshop is tentatively scheduled to take the place in lieu of the March 2013 meeting.

7. Discussion of Issues Regarding Public Benefits of Water Projects

Ajay Goyal presented an issue paper on the definition of recreational benefits of water projects and their eligibility for public funding. Staff provided two interpretations of "Recreation Benefits" and reviewed how those interpretations would apply to different types of example water storage projects.

Under the first option, only water-based recreation benefits that occur on or adjacent to the proposed project, or that result from stream flow or reservoir surface area improvements caused by the project's operation, are eligible to be counted as public benefits. Common examples include fishing, boating, swimming, and campgrounds on or directly surrounding the water project. Additionally, if the new storage created by the project increases storage and associated recreation at existing facilities, this could also be a public recreation benefit attributed to the project.

Under the second option, recreation benefits that occur due to improved urban water supply reliability such as public parks or swimming pools could also qualify as public benefits associated with the water supply project. Recreation benefits occurring at private parks or swimming pools could not be counted as public benefits.

Mr. Ball clarified that the Commission is not discussing public funding directly for parks, swimming pools, or any other public benefits. The public benefits of a project will be quantified in order to rank and prioritize which water storage projects should receive public funding. He asked staff to clarify this distinction in all public benefits work.

Ms. Delfino stated that she does not believe that recreation from improved urban water supply (option 2) is a valid public benefit; however, improved flow directly downstream of a project including fishing, boating, etc. may qualify. She expressed general support for staff's proposed option 1. She also noted that quantifying and guaranteeing the direct link between new storage and an urban park may not be feasible.

Staff noted that one potential rationale for using the expanded option to define recreation benefits is that recreation benefits provided by improved urban water supply will reach an urban population, who may not otherwise be able to benefit from improved recreation at the project site.

Mr. Saracino noted that it is important to consider staff proposed option 2 as recreation benefits relate directly to ecosystem benefits. Option 2 is analogous to counting

improved water supply from a project supplied to a refuge as an ecosystem benefit of the project.

Mr. Curtin stated that all project should be considered based not only on whether or not they provide the public benefits as defined in the Act, but based on their impact to the State's water system as a whole.

Mr. Ball advocated for a simple valuing/scoring system that does not necessarily rely on dollars as the ultimate unit of public value.

Ms. Delfino emphasized the importance of the Commission providing clear and specific directions to project proponents including the specific benefits that may count and the acceptable methods and tools for quantifying those benefits.

Mr. Byrne supported a clear and specific method for quantification of public benefits, and also a certain amount of flexibility to allow for the Commission to make holistic decisions.

8. Update on Status of Urban Water Management Plans

Manucher Alemi, Chief of DWR's Water Use and Efficiency Branch, provided an update the status of Urban Water Management Plans (UWMP) and statewide progress towards the 20% reduction in per captia urban water use (20x2020) required by SBX7-7, the Water Conservation bill of 2009 . Mr. Alemi noted that DWR provided guidance to suppliers including technical guidance, development of Target Method 4, and an UWMP Guidebook. UWMPs were due to DWR on August 1, 2011. To date, 398 Water suppliers have adopted UWMPs and submitted them to DWR. DWR has completed initial review of 232 plans and completed final review of 102 plans. Based on the submitted UWMPs, actual reductions in statewide water use will be about 16%. Water suppliers most commonly chose Target Methods 1 and 3 to achieve compliance with SBX7-7. Target Method 1 has led to the highest percent reduction in water use. Future related activities will include revising the methodology for compliance year adjustment to allow for changes in the climate or the economy from the baseline year to the compliance year, a revision to Target Method 4 in 2014, and a report to the legislature on 20x2020 progress in 2016. Mr. Curtin asked if DWR has a process to help agencies to meet their goals. Mr. Alemi said DWR works with the California Urban Water Conservation Council and water suppliers to provide technical assistance and grants.

Lisa Brown, Water Efficiency Administrator for the City of Roseville, briefed the Commission on that city's UWMP and water conservation program. She discussed Roseville's baseline, savings targets and how the city plans to achieve those targets. She noted that Roseville's population is growing, and while per capita use is declining they are

not currently anticipating a full 20% reduction by 2020. Their baseline water use was 308.77 GPCD, calculated over a 10 year period. They chose Target Method 1, a straight 20% reduction.

Ms. Brown noted the difficulties promoting conservation when water is inexpensive and described the city's outreach program. The City of Roseville analyzes household water use on a monthly basis. Homes with the highest water usage are contacted for a Water Wise House Call. On average, this program results in a water use reduction of 130 gallons per day per household contacted. Additional incentive programs have been implemented to encourage Roseville residents to reduce their water usage. These include Cash for Grass, Irrigation Efficiency, Smart Timers, HET Rebates, Washing Machine Rebates, Pool Cover Rebates and a neighborhood comparison statement sent out to each resident. Not all water agencies have the resources to implement these programs; however, all districts can educate their residents.

9. Introduction to DWR System Resiliency Metrics

Michael Mierzwa, Advisor to DWR Deputy Director for Integrated Water Management (IWM) Gary Bardini, introduced DWR's efforts to develop metrics to measure system resiliency, or how well a system can respond to a stressor. The effort has three foundational goals including public safety, environmental stewardship and economic sustainability. DWR is developing measurement for the four components of resiliency including (1) robustness: the strength to respond to changes, (2) redundancy: system properties that allow for alternatives or act as a back-up, (3) resourcefulness: the capacity of the system to utilize resources, and (4) rapidity: the measure of the speed of the system to return to its initial level of service. The State plans to use this metric to invest in resilient water systems. Next steps include looking at other published works and characterizing potential stressors.

10. Briefing on American Rivers Environmental Benefits Model

Katie Jagt, consultant to American Rivers, presented an overview of a model developed for measuring ecological benefits of water projects. Previously, there was no established method of adequately quantifying habitat, which made prioritizing and valuing restoration very difficult. This model was designed to be both a screening tool and development tool that produces reliable, unbiased results. The model takes into account both physical and hydrologic ecosystem variables. The model builds on methods used in flood risk analysis and applies them to measure estimated annual habitat. The method quantifies the benefits of water projects on individual species based on their hydrologic requirements, but can also be applied to agriculture or recreation benefits. It allows

project alternatives to be evaluated based on their effects on the habitat needs of individual species. The output is Estimated Annual Habitat, a long-term statistical average of the amount of habitat that can be provided. The project was initially designed to measure the benefits of flood control projects, but can be applied to almost any type of water project.

12. Update on Integrated Water Management Summit (taken out of order)

Michael Mierzwa introduced California's Integrated Water Management (IWM) Summit sponsored by DWR, the Water Commission, and the Water Education Foundation. The summit will take place in Sacramento on April 3, 2013. The intent of the summit is to raise awareness of the IWM approach, focusing on long term cost effectiveness, whole system regulation, and encouraging involvement by local land use agencies in water management activities; strengthening the long term relationships among all of California's water partners and leader; and demonstrating the common value of water management activities to the well being of Californians. Approximately 150 water management and business leaders have been invited to speak at and attend the event.

Chris McCready, Principal Engineer for Integrated Regional Water Management Regional Planning Branch, discussed plans for the Integrated Regional Water Management Conference which will follow the IWM Summit on April 4 and 5. The conference will include a panel on disadvantaged communities and alignment. She also invited the Commission to participate in DWR's IRWM strategic planning process which includes several regional workshops in April and May 2013.

11. Action Item: Approval of 2012 Annual State Water Project Review

Ms. Sims presented the draft 2012 Annual Review of the Construction and Operation of the State Water Project (SWP), which was completed as part of the Commission's statutory responsibilities. The report details the Commission's activities to review the construction and operation of the SWP including the dedication of the Ronald B. Robie Pumping-Generating Plant, an inspection of facilities in Oroville, an inspection of facilities Southern California, and other opportunities to speak with SWP staff and management. It also includes information on the Town Hall Panel at the Association of California Water Agencies Conference in December 2012. The report addresses key recommendations and activities including recruitment and retention of SWP personnel, investments to operate and maintain the SWP, workplace safety, efficient project operations, the Delta, and federal advocacy. The report also included information on current and future construction projects.

Mr. Saracino recommended the Commission hold a hearing on SWP recruitment and retention issues. Mr. Curtin suggested seeking more information regarding the status of labor negotiations and perhaps holding an informational hearing only. He recommended the Commission bring the idea back for further consideration at the next meeting.

Mr. Ball requested a resiliency test be performed on the SWP system.

A motion was made and seconded to approve the 2012 Annual Review of the Construction and Operation of the State Water Project. A vote was taken and the motion passed unanimously.

13. Consideration of items for next California Water Commission meeting

Topics for the February meeting include a legislative update, briefing on BDCP, and several follow up discussions. Mr. Del Bosque requested a briefing on current CALFED surface storage projects.

14. Public Comments

Mario Santoyo commented on the earlier legislative update on the water bond and mentioned his involvement in current discussions in the Senate and Assembly. He suggested the Commission identify areas of the water bond needing clarification and express that to authors of the proposed bonds.

Mr. Byrne adjourned the meeting at 12:24pm.