



Meeting Minutes

Meeting of the California Water Commission

Wednesday, November 20, 2013

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

1. Call to Order

Chairman Byrne called the meeting to order at 9:35 a.m.

2. Roll Call

Executive Officer Sue Sims called roll. Joe Byrne, Joe Del Bosque, Kim Delfino, Luther Hintz, and Anthony Saracino were present, constituting a quorum. Dave Orth arrived after roll was called. Andrew Ball, Danny Curtin, and Adán Ortega were absent.

3. Approval of October 2013 Meeting Minutes

A motion was made and seconded to approve the October 16, 2013 meeting minutes. A vote was taken and the motion passed unanimously.

4. Executive Officer's Report

Sue Sims provided the Executive Officer's report. The Department of Water Resources (DWR) announced its initial allocation for State Water Project (SWP) deliveries for 2014 at 5 percent of State Water Contractors' requested amounts for the year. This is a conservative estimate due to uncertainties about precipitation in the coming months.

At last month's meeting, the Commission discussed working with the Association of California Water Agencies (ACWA) to develop a water projects inventory survey. Commission staff has had several meetings in the last month with ACWA, the Bureau of Reclamation, and interested State agencies to discuss development of the survey. ACWA has the tools to do an online survey and has experience with similar projects. Commission staff will work with ACWA and other agencies to release the survey in early 2014.

Commission staff met with members of the Central Valley Flood Protection Board who are interested in opportunities to work more closely with the Commission. Commission staff also met with members of the Little Hoover Commission on climate change adaptation and how it relates to water projects.

5. Discussion of Recent State Water Action Plans and Priorities

Chairman Byrne welcomed panel members Tim Quinn, Executive Director of ACWA; Doug Obegi, attorney for the Natural Resources Defense Council (NRDC); and Gary Bardini, DWR Deputy Director for Integrated Water Management.

Tim Quinn briefed the Commission on ACWA's Statewide Water Action Plan (SWAP). Mr. Quinn noted that the process of developing the SWAP was a coalition building exercise, and was not an effort to supersede the State's planning efforts. There is a need for a comprehensive plan for California which addresses the Delta, but also includes other regions and issues.

The SWAP development process involved cooperation between a variety of regions, agencies, and interests. The goal was to develop a specific set of recommendations for a comprehensive plan with broad support. The Plan received unanimous approval from ACWA's Board of Directors and was submitted to the Governor. The SWAP contains 15 action elements in four categories: actions to improve statewide water supply, actions to protect water rights, actions to protect the integrity of the system, and actions to promote better stewardship. Mr. Quinn highlighted the importance of focusing on a comprehensive package of solutions, rather than trying to fix California's water problems in a piecemeal manner. ACWA would like to work with the Administration to move a truly comprehensive plan forward.

Doug Obegi briefed the Commission on the Water Action Plan Priority Goals and Objectives which were provided as comments from the environmental community on the California Water Action Plan. Mr. Obegi noted that NRDC is pleased with the Administration's release of a draft plan that looks at California as a whole. NRDC has some concerns, but the California Water Action Plan contains a good foundation of principles and potential actions. He noted that the plan lacks quantifiable objectives, schedules, and budgets. There is a need for prioritization since not all efforts can be funded at once. California needs a Bay Delta Conservation Plan that improves the ecosystem and water supply, as well as a broader set of solutions which integrates local resource development. NRDC wants to work with the Administration to achieve a final plan which improves the environment and economy and decreases reliance on the Delta.

Gary Bardini briefed the Commission on the State's California Water Action Plan. Improving public safety, environmental stewardship, and economic stability are necessary to achieve sustainability and resiliency in California. Cooperation is needed to meet the challenges of statewide water management. Input from other agencies and organizations helped shape 10 main themes that prevailed in the plan. Mr. Bardini identified the themes as water use efficiency, improving regional and local integration, management of the Delta, restoration efforts and ecosystem improvements, drought management, groundwater and surface storage, drinking water quality, flood management, streamlining operations, and finance. The last two themes will probably require the most work. To accomplish the goals of the California Water Action Plan, broad data

assessment capabilities and improvements in regional cooperation and regional flood management are needed. Conveyance and storage programs are also significant issues.

Commissioner Saracino noted that California uses more water than it has or will have in the future even with additional storage, but none of the plans appear to address demand management. Demand must be managed in order to have sustainable water supplies for agriculture, the environment, and urban users. Mr. Saracino asked if there are plans to address demand management later. Mr. Quinn said that there is nothing in ACWA's plan that suggests demand reduction is not important; there is a strong belief in reducing demands on the system. However, Mr. Quinn does not agree with Mr. Saracino's conclusions about long term water supply and demand, and believes that these issues may be addressed with improved infrastructure.

Mr. Saracino said that there are significant overdraft issues, and no matter what other solutions are pursued, the State will still have a water deficit if demand is not addressed. Mr. Obegi agreed that demand management does need to be addressed. Challenges to taking action in this issue have included funding, regulations, and prioritization. There will always be a mismatch between demand and supply but through a combination of efforts, California may approach a balance.

Mr. Byrne asked if the final California Water Action Plan will guide and prioritize water management activities. He also asked about DWR's role in coordinating implementation of the plan. Mr. Bardini said that the plan should be a guide, and also noted that agency alignment must be strengthened. DWR will be a leader and continue to strengthen the participation of State agencies in water planning and management.

Mr. Obegi noted that much of the plan will require legislative action, but there has not been much outreach to the Legislature. Part of the process must be to prioritize actions and determine how they fit with legislation and funding. Actions should also be linked to one another in order to be successful. Mr. Quinn noted that DWR can assist with agency integration, but the Delta Stewardship Council could also be a tool for facilitating integration.

Commissioner Delfino noted that ACWA's SWAP mentions the water bond, but the California Water Action Plan does not. She asked if the bond will be the main revenue source or if there other ideas for funding. Mr. Quinn said that ACWA supports a revised bond. He noted that revenue for a BDCP will come from water users, but contracts should go through consensual mechanisms to make funding commitments. ACWA's members are prepared to pay for projects, but not through fees imposed by the State that are not yet fully understood. Mr. Bardini said the State is examining funding sources and better alignment will help voter approval for a bond.

Ms. Delfino asked if there is a plan for funding better management. Mr. Quinn believes that a substantial amount of funding will come from water agencies, but some might come from public funds. Different projects could be funded in different ways.

Mr. Del Bosque noted that all the panelists discussed storage. Storage is an immediate issue, but he did not hear any definitive actions for storage. Mr. Quinn said he wants to act upon the storage discussions that have been going on for years. A wide range of storage projects are necessary both north and south of the Delta. Mr. Obegi said there is a role for new storage, but groundwater cleanup and groundwater banking facilities are most necessary, as well as some small regulating reservoirs south of the Delta. Mr. Bardini said storage has been studied extensively, and now the benefits of storage projects must be matched to funding.

Mr. Orth asked what DWR can do to advance Integrated Regional Water Management (IRWM) efforts and if IRWM will be the framework for water management. Mr. Bardini said DWR promotes stronger regional planning, and the State uses monetary incentives to promote multi-benefit projects. He noted that incorporating disadvantaged communities into IRWM programs has been a major issue. Mr. Obegi said that NRDC sees IRWM as the future. The challenge has been that conservation groups and disadvantaged communities often feel they have not been able to participate. There have also been challenges with accountability and information sharing. Mr. Quinn said IRWM is written into ACWA's plan. ACWA hopes to work with DWR to streamline the IRWM process.

6. Briefing on the Status of Water Transfers and Issues in California

Ellen Hanak, Senior Policy Fellow with the Public Policy Institute of California, discussed water transfers and groundwater banking. Groundwater banking involves purposefully storing surface water in aquifers for use in dry years. Groundwater banking and the water market can be useful in drought management, climate change adaptation, and accommodating long-term shifts in demand. Many conditions must be in place for groundwater banking and water markets to work effectively. Infrastructure, groundwater monitoring, prevention of local economic harm, and water rights protections are vital. California has some good protections to prevent impacts to third parties and fish and wildlife, but they are incomplete without comprehensive groundwater regulation. California has the infrastructure to develop a water market, but it is not complete. The Delta is a large component of the infrastructure for water transfers, but it is fragile.

State groundwater law is incomplete without comprehensive groundwater oversight. Many counties have groundwater export restrictions, but those do not fully address local overdraft. There is also no comprehensive source of information on transfers in California.

There have been three phases of water market development in California: drought-related growth (1987-94), environment-related growth (1995-2002), and long term trade growth and overall

deceleration (2003-11). The prevalent types of transfers have shifted between the phases of growth. The long term and permanent market is significant today. The market did not contribute much to dealing with the most recent drought. The total amount transferred barely increased during the drought due to Delta constraints and institutional issues. The Sacramento Valley's net exports have decreased over time, whereas the San Joaquin Valley has become a net exporter over time. Environmental trades have been important, especially in the early 2000s, but environmental transfers are decreasing because they were primarily bond-funded.

There are different types of groundwater management and banking systems. There are formal systems, such as the Kings River, and voluntary, such as in Kern County. As opposed to the water market, new groundwater banks were useful during recent drought. Close to 2 million acre-feet (AF) were made available through new groundwater banks.

Ms. Hanak presented several recommendations: address infrastructure gaps, make institutional review more consistent and transparent, strengthen local groundwater management, pursue more environmental transfers, and engage high-level leaders.

Mr. Saracino noted that it is interesting that the San Joaquin Valley is a net exporter since it has significant overdraft problems, and asked why this is happening. Ms. Hanak said that the San Joaquin Valley is not a net exporter in total, but is a net exporter through the water market; this occurs due to economic reasons.

Mr. Hintz said there are opportunities for banking in surface storage reservoirs, but it was not mentioned. Ms. Hanak said surface storage was not part of the focus of this report, but it is connected to groundwater banking and water transfers.

Ms. Delfino expressed concern that environmental water gets spread thin, but more focused use might provide bigger biological impacts. Additionally, funding is an issue for environmental uses of water. Ms. Delfino asked how those issues might be solved. Ms. Hanak said there are costs for environmental water which must be considered as part of the overall process of managing aquatic ecosystems. Environmental managers should have funding in addition to regulatory requirements.

Gary Bardini briefed the Commission on the status of water transfers in California. California has had several dry years and current water allocations are very low. This created a lot of short term transfer activity, mostly in groundwater substitution. Major reservoir levels in California are currently 76 percent of average for this time of year. DWR's allocations to water contractors could stay as low as 5 percent if it continues to be a dry year. DWR has been working with other agencies and groups to determine concerns and recommendations for water transfers. Mr. Bardini discussed recommended actions in several categories: statewide management of water

transfers/outreach; technical, operational, and administrative rules; water management assessments; environmental and local ordinance consideration; and the operational transfer system. Needed short term improvements include streamlining the water transfer process, developing a transfer agreement template, and analysis of groundwater substitution issues. Necessary long-term management improvements include restructuring DWR's guidance documents and creating a single point of contact for water transfers.

Mr. Saracino asked what the public process is for reviewing transfer guidelines and what role the Commission might have in providing guidance on water transfers. Mr. Bardini said there are public meetings on the water transfers guidelines, but he would like to see a more collaborative process. Mr. Saracino said the Commission might be a good venue for discussion of water transfer issues between parties. Mr. Byrne agreed. Mr. Bardini said DWR is open to including the Commission in the process to increase transparency.

7. Panel Discussion on the San Joaquin River Restoration Program

Monty Schmitt from the Natural Resources Defense Council (NRDC) provided a history of the San Joaquin River. The San Joaquin River Restoration Program (SJRRP) is focused on the 150 miles of the San Joaquin River from near Fresno to the confluence of the Merced River. The San Joaquin was historically vast, and supported large amounts of wildlife and salmon, but the river has been significantly altered. Construction of Friant Dam began in the 1940s, diversions increased, and the river began to dry up. The Department of Fish and Game tried to save the salmon run by asking U.S. Bureau of Reclamation (Reclamation) to release enough water to support salmon, but the river dried up in the 1950s, and the salmon runs ended. In the 1980s, NRDC and a coalition of environmental groups filed a lawsuit against the federal government over the renewal of the Friant water contracts. In 2004, a federal judge ruled that Reclamation was in violation of the Fish and Game Code Section 5937 which requires the owner and operator of a dam to release enough water to keep fish in good condition. The parties reached a settlement agreement 2006. The settlement agreement is the foundational document for the SJRRP. It provided a restoration goal and a water management goal, funding provisions, a Memorandum of Understanding (MOU) with State, and MOUs with downstream third parties. Federal legislation was passed in 2009 which provided federal authority to implement the settlement.

The restoration goal of the settlement provides for releases of water from Friant Dam in order to sustain healthy populations of spring and fall-run Chinook salmon. The goal also includes improvements to the river channel and infrastructure that are barriers to salmon. Infrastructure must be rebuilt or modified to be fish-friendly but also serve water management goals.

The restoration of the San Joaquin River is important for several reasons. The settlement agreement stopped litigation and allowed action so a broad set of interests can work together collaboratively. Restoration will have quality of life, education, recreation, water quality, flood

protection, and economic benefits. The SJRRP has challenges ahead, particularly funding challenges. Commission support for the goals of the SJRRP would be greatly appreciated.

Mario Santoyo discussed the perspective of the Friant Water Authority. Friant Dam is the principal water source for the Friant Division and generates \$5 billion in economic activity. Friant moves water toward Chowchilla and Bakersfield in lieu of water delivered from the Delta. The purpose of the Friant Division is to stabilize groundwater overdraft and create a conjunctive use area.

Friant Division has water supply challenges. Flood releases happen frequently and in large volume due to storage limitations. Roughly 14 million AF were lost to the ocean over the last 30 years because the reservoir is much smaller than average inflow and the water could not be stored for future use.

Mr. Santoyo highlighted key points of the settlement agreement. Many physical changes must take place in the river channel to achieve the correct level of flow and habitat for the fish. Much of that work has yet to be done; this will have an effect on the reintroduction of salmon. Restoration flows are supposed to start in 2014, but currently there is not a clear path for water to flow to the Delta.

There are some benefits occurring through the settlement. One is the restoration water account which provides cheaper water to Friant in very wet years. There is also funding for groundwater programs and improvements to the Friant-Kern Canal.

The amount of water that will flow through the San Joaquin River will vary depending on the type of water year. In critical years, there may not be any restoration flows.

Friant Water Authority supports the completion of the SJRRP, but there are many challenges. Friant has lost 200,000 AF of available water. This water used to go into groundwater, so groundwater supplies are now decreasing. Friant requires a minimum of 800,000 AF for supply. This year, Friant was allocated 496,000 AF, of which 185,000 AF was sent down the San Joaquin. Although some water was recovered, Friant lost about 150,000 AF of otherwise useable water. Resolving Delta issues is important to Friant because their plan for water recovery no longer works due to Delta restrictions. These issues tie back in with water storage; there is a need for more storage to recharge groundwater.

Alicia Forsythe, Reclamation's Program Manager for SJRRP, provided an overview of the program. Reclamation oversees most of the program implementation. Many current activities of the SJRRP involve infrastructure programs such as building levees, control gates, dams, fish screens, and fish ladders. The program's actions include increasing releases from Friant, making infrastructure improvements, and reintroducing spring and fall-run Chinook salmon to the river. Interim flows

began in 2009 to test how the river and environment would react. Restoration flows will begin in 2014. Water that cannot go down the river must be sold or banked. There have been issues getting water down the river channel and there are concerns regarding seepage and levee stability.

The Program's three largest infrastructure improvement projects are underway: the Mendota Pool Bypass, The Eastside Bypass and Mariposa Bypass Channel, and the Arroyo Canal Fish Screen and Sack Dam Fish Passage Project. The last major action for the restoration goal is the reintroduction of spring and fall-run salmon. Fall-run Chinook are expected to re-colonize the river on their own after the improvements are made. Spring-run Chinook are a listed species and must be brought in from Northern California and bred in a conservation facility.

Ms. Forsythe also discussed activities related to the Water Management Goal. The vast majority of water for the program is from Friant Division; it is a substantial portion of their supply. Reclamation is creating guidelines for releasing water from Friant in a way that will reduce harm to users. The recovered water account tracks all impacts from the program to the water users. Reclamation makes extra water available during wet years at a low cost. Reclamation is also recapturing and recirculating water back to Friant users. There are various physical projects in progress which will aid in water management and conveyance. Reclamation may also use some Central Valley Project (CVP) water to supplement supplies.

Some actions are behind schedule due to the aggressive settlement schedule and unexpected complications. Reclamation is working closely with parties to develop realistic timelines and budgets.

Key milestones include interim flows, environmental documents, studies of spawning of fall-run Chinook, financial assistance for groundwater banking, and altered water rights to permanently implement the program. The SJRRP hopes to resolve seepage challenges so that restoration flows can reach the Delta. There are plans to release spring-run Chinook this spring.

Dave Koehler, with the San Joaquin River Parkway & Conservation Trust and coordinator of the San Joaquin River Partnership, described the work non-governmental organizations (NGOs) are doing to support the SJRRP. The San Joaquin River Trust saw the benefits of restoration and reached out to nonprofits working on the San Joaquin River, which led to formation of San Joaquin River Partnership. The partnership is an effective, collaborative group interested in the entire river, not just the restoration reach.

Projects by the San Joaquin River Partnership that support the SJRRP include the Dos Rios and Hidden Valley projects. Those projects involved land acquisition and habitat restoration adjacent to the San Joaquin River Wildlife Refuge. That land will provide salmon breeding habitat and

absorb flood water to reduce damage downstream. The partnership also performed community outreach through a River Camp in Firebaugh and SalmonFest at Friant Dam.

UC Merced did a study of economic benefits of the SJRRP which found that the effort will create 11,000 jobs in the San Joaquin Valley. They will be created mainly from construction, but a large percentage will also come from outdoor recreation and restoration monitoring.

Steve Chedester discussed the perspective of the San Joaquin River Exchange Contractors Water Authority. The Authority was formed in 1992 and represents four districts. All member agencies hold pre-1914 and riparian water rights. The Exchange Contractors were not a settling party, and are thus considered a third party. Protections for third parties were included in the San Joaquin River Settlement Act, not the settlement agreement. The goal of the third parties is to avoid adverse impacts to themselves, as much as possible.

Third parties also want to ensure protection for their senior water rights and their ability to divert water. These protections were included in the Act. They were also concerned that the lands adjacent to the river would have seepage impacts. The third parties wanted to ensure flood control facilities were intact and functioned properly. Another major issue for third parties was to ensure Endangered Species Act protections when spring-run Chinook are introduced.

Funding for the SJRRP is a challenge and the estimated costs have increased since the settlement. The total cost of all projects is estimated at \$1.1 billion, and only \$88 million is available before 2019. Federal funds were authorized but not appropriated. Funding is also supposed to come from State bonds. As of 2012, \$99 million has been spent but the infrastructure construction has not begun. Fish are being introduced when infrastructure projects are not complete. Cumulative expenditures to implement all of the elements of the program are more than double the total federal funds available. Third parties are concerned that their protections will not be funded.

Mr. Del Bosque noted that salmon need cold water and asked if there is a method for temperature control at Friant Dam. Ms. Forsythe said there is no temperature control device at Friant. There is temperature monitoring at Millerton Lake and in the river. The SJRRP expects to have some control over temperatures while salmon are in the river. Control is more difficult later in spring and closer to the Merced confluence, but salmon should be out of system during that time. Mr. Del Bosque asked if the inability to control temperature will jeopardize the success of the project. Ms. Forsythe does not believe it will, but monitoring will continue.

Mr. Santoyo said initial studies found cold water releases only travel a certain distance before water warms due to ambient air temperature and the low slope of the river. Cold water does not make it the whole 150 mile reach of the river. Water temperature may actually be a major concern. Mr. Schmitt clarified that water temperature is an issue. There is nothing to be done

about temperature later in the spring, so it is critical that salmon are out of the system by that time.

Mr. Saracino asked if funding sources have been identified for Temperance Flat construction. Mr. Santoyo said the hope is for a successful water bond. It is not a standard federal or state project, so combined funding sources may be necessary. Funding may also come from other entities, such as cities that will be beneficiaries. The process of identifying additional parties is occurring now. He also noted that high flood flows have the potential to wipe out downstream investments.

Mr. Hintz said that there are risks involved with moving forward on a project that may fail if the fish cannot adapt to the river. Ms. Forsythe said that the implementing agencies have elaborate monitoring programs to better understand the San Joaquin River. Those findings are made available publically. It is important to put fish in the river at a small scale early on. Reclamation is conducting studies at smaller scales to see what happens when fish are introduced to the system.

Mr. Hintz asked if there are cost estimates for operations and maintenance of the river system. Ms. Forsythe said that the cost estimates provided include operations and maintenance.

Ms. Delfino highlighted the funding constraints of the project and asked what the Commission can do to provide assistance and support. Mr. Schmitt said everyone is concerned about funding. The support of the Commission would be appreciated because the restoration must work. Mr. Santoyo said that water users are significantly invested in the project. There are major challenges to federal funding. The project needs any help it can get. He also noted that the UC Merced study cited by Mr. Schmitt may be misleading. Short-term construction jobs will be created, but removing a reliable urban water supply will displace work.

Mr. Chedester said the science is very important for the SJRRP and a lot of monitoring has occurred. The hope is that all parties can eventually agree the project was successful, but the different stakeholders view the project from different perspectives.

8. Update on Delta Special Projects Program

Gail Newton, Chief of DWR's FloodSAFE Environmental Stewardship and Statewide Resources Office (FESSRO), provided an update on the Delta Levees Special Flood Control Projects Program (Special Projects). Ms. Newton first noted that the Hidden Valley project on the San Joaquin River, which was mentioned previously by Mr. Koehler, is the epitome of a multi-benefit project and was the first acquisition for the conservation strategy of the Central Valley Flood Protection Plan using state bond funds.

DWR has developed a draft policy document, *FloodSAFE, A Framework for Department of Water Resources Integrated Flood Management Investments in the Delta and Suisun Marsh*

(Framework), which is currently out for public review. Some major components of the Framework were incorporated into the Delta Plan. The Framework was intended to guide DWR's Delta investments and provide the rationale for choices made with limited funding. The guiding principles of the Framework are mainly from the Water Code. The Framework seeks to protect the public interests of California by promoting projects that provide multiple benefits. Table 1.1 is the most important piece of the Framework; it is a simple matrix which addresses priorities and benefits for all flood management activities. Priorities include protection of water quality, water supply reliability, conveyance, infrastructure, and channel-margin habitat.

The process of finalizing Guidelines for Special Projects grants is underway. Roughly \$400 million has been spent to improve flood management and habitat in the Delta by providing grants to local reclamation districts. The primary purpose of the Special Projects Program is the protection of discreet and identifiable public benefits. The guidelines build upon the Framework to fund flood management. The aim of the guidelines is to ensure adequate water supply reliability and ecosystem restoration through levee maintenance, modifications, and improvements. The next step will be development of a Proposal Solicitation Package (PSP). In accordance with the PSP, DWR will receive proposals from the reclamation districts which will be evaluated on scoring criteria found in the PSP. The program also funds studies and research to characterize the levees and subsidence reversal. Funding through PSPs will be targeted to achieve the goals of the Framework. The next PSP will provide \$50 to \$75 million to target the highest priorities in the Framework. The goal will be to fully integrate levee improvements with habitat features that contribute to improved water supply reliability.

Lastly, Ms. Newton discussed DWR's interagency agreement with the Delta Stewardship Council (DSC). The Delta Reform Act called for the DSC to recommend priorities for State investments in Delta levees. DWR prepared an interagency agreement to provide the DSC funding to complete prioritization. The agreement contains three tasks: develop the methods for prioritization, have those methods peer reviewed and publicly vetted, and use that methodology to develop priorities. DWR may also develop an interagency agreement with the Delta Protection Commission

Mr. Byrne asked if improvements are already being made in the Delta. Ms. Newton said Delta levees are probably in the best condition they have been in recent history.

Please note: Commissioner Delfino left the meeting during this agenda item.

9. Action Item: Presentation and Consideration of Commission Comments on the Objectives and Resource Management Strategies in the California Water Plan Update 2013

Sue Sims introduced the item. The Commission previously sent a comment letter on Volume 1 of the California Water Plan Update 2013. Since the Commission's last meeting, Volume 3,

containing the Resource Management Strategies, was released for public review. Commission staff reviewed the Water Plan and identified a number of common themes as well as some specific recommendations for comments from the Commission.

Kamyar Guivetchi, Chief of DWR's Division of Integrated Water Management, provided a briefing on the Water Plan Update 2013. Mr. Guivetchi thanked the Commission for their letter of support for the themes in the first volume. That letter was included in the programs for the October California Water Plan plenary meeting.

This update carried over a lot of the content from the 2009 update, but Proposition 84 funding was also used to improve certain topics. The content was developed collaboratively in caucuses, which significantly informed the recommendations. Mr. Guivetchi identified three themes in the Water Plan: improve IRWM technical assistance and financial support, strengthen government alignment, and invest in innovation and infrastructure.

There must be an institutional setting and financial underpinning for a plan to be successful. Most of California is covered by regional water management plans which are at varying levels of development. The premise of these regional groups is to invest in multi-benefit projects in a collaborative way. The State and federal water projects cannot sustain future growth and development, so the regions must become more self-reliant. IRWM groups are learning how to integrate flood management into water management. City and county land use managers should also be incorporated into water management.

The Water Plan's 30 resource management strategies are a toolbox for regional groups to use and decide which of strategies they need to handle their growth, climate change, and legacy impacts. Governmental alignment must be strengthened because current policies collide to make the IRWM process lengthy and costly. The Water Plan provides specific recommendations for improving agency alignment. Investment in innovation, infrastructure, and information technology is also necessary to improve IRWM. State investments in these areas will benefit everyone in California. The Water Plan Update also includes water finance planning framework for reliable and stable water financing. The framework includes attributes that any future water finance planning effort should consider. At the core of the Water Plan is the Roadmap for Action in Chapter 8 of Volume 1. The chapter contains 17 key objectives and over 350 actions and sub-actions. The Resource Management Strategies are the toolbox to help achieve those objectives.

Ms. Sims presented the proposed comments that were prepared for the Commission. She recommended the Commission comment on six cross-cutting issues that are prevalent throughout the recommendations. The themes identified by Commission staff are integrated activities, funding for innovation and infrastructure, climate change, agency alignment and collaboration, improved data and technical assistance, and outreach and education. Staff also

identified some specific recommendations which may be of interest to the Commission. The specific topics include water rights, conservation rate structures, the water-energy nexus, quantification of benefits, water transfers, the incorporation of Bulletin 118 work into the Water Plan Update, projects requesting bond funding from the Commission, surface storage investigations, drinking water standards and costs, environmental justice, and forest and meadow management. Additionally, the Commission may wish to urge funding of the Water Plan in letters to the administration and the Legislature so that the high caliber of work can continue. Much of the work on the California Water Plan was funded by sources that no longer exist, and work cannot continue without funding.

Mr. Saracino reiterated his earlier comments and noted that the Water Plan does not address demand management. He asked if the Commission wants to tackle the topic. Mr. Guivetchi said the intent is for demand management to be a focus of the Water Plan. One of the objectives in the Water Plan is water use efficiency, which is used in a broad sense and includes demand management. Efficiency includes recycling and reuse, as well as aspects of land use development. Efficiency is also contingent on California's institutional framework; integration of water management agencies will increase opportunities for conjunctive use and demand management.

Mr. Saracino agreed that efficiency is part of demand management, but not all of it. Agricultural sustainability must be addressed. Conjunctive management will help, but more needs to be done. He suggested adding a discussion of demand management to the comments on the Water Plan.

Commissioner Orth stated that if IRWM is going to be the framework for water management, then demand management should also be handled and provide flexibility at a local and regional level. He also suggested adding a comment to discuss the lack of database compatibility between agencies. Additionally, some of the information in the groundwater section is too broad to be useful for effective groundwater management. Mr. Orth also suggested supporting an evaluation of how to make disadvantaged communities more effective participants in the IRWM process.

Mr. Hintz noted that the surface storage section can be tied to the functions of the Commission. He also asked how California's IRWM groups were developed. Mr. Guivetchi said that they were developed in a grassroots process supported and formally approved by the State. Each region evolved differently due to the use a collaborative governance approach. The Water Plan recommends that the State and federal government develop outcome-based regulation which provides regions the ability and flexibility to create implementation plans to achieve intended outcomes.

Mr. Byrne agreed that demand management is an important issue and should be included in comments on IRWM.

Mr. Del Bosque suggested addressing contaminated groundwater in disadvantaged communities. Mr. Guivetchi pointed out that objective 13 in the Water Plan focuses on equal access to water. The actions under that objective will be finalized at a Water Plan Update meeting on December 4. Additionally, an updated report titled "Californians without Safe Water and Sanitation" will be finalized as part of the California Water Plan Update 2013.

A motion was made to incorporate the discussed comments then submit the comment letter. A vote was taken and the motion passed unanimously.

10. Consideration of Items for Next California Water Commission Meeting

The Commission will not to have a December 2013 meeting. The next meeting of the Commission will be on January 15, 2014.

Mr. Byrne adjourned the meeting at 2:18 p.m.