

## Meeting Minutes

### Meeting of the California Water Commission

Wednesday, June 18, 2014

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

#### 1. Call to Order

The meeting was called to order at 9:30 a.m.

#### 2. Roll Call

Executive Officer Sue Sims called roll. Commission members Andrew Ball, Joe Byrne, Joe Del Bosque, Lu Hintz, Dave Orth, and Anthony Saracino were present, constituting a quorum. Commission members Kim Delfino and Danny Curtin arrived after roll was called, at 9:35 a.m.

#### 3. Approval of May 2014 Meeting Minutes

A motion was made to approve the May 21, 2014 meeting minutes. A vote was taken and the motion passed unanimously.

#### 4. Executive Officer's Report

Sue Sims provided the Executive Officer's Report. Commission staff met with the Executive Officer of the California Board of Forestry and invited him to make a presentation to the Commission in August. Staff also had a follow-up meeting with John Kingsbury, Executive Director of the Mountain County Water Resources Association, to discuss additional activities following the Commission's May meeting. The Delta Vision Foundation issued its annual report card last week. The Commission received a B+ and positive comments regarding its work on the public benefits of water storage. One of the Commission's duties is an annual inspection of the State Water Project (SWP). Staff is coordinating facility tours for the Commission on the SWP East Branch Extension, where a considerable amount of new work is being done. Assistant Executive Officer Rachel Ballanti and Ms. Sims have upcoming meetings regarding some of the urban water recycling projects in Orange County and Los Angeles County. Ms. Ballanti has been updating the chart she created to compare the prospective water bonds and the 2009 water bond. There was a recent amendment to AB 1331 (Rendon) which added \$200 million for Delta economic sustainability. Chairman Byrne asked when the Commission issues its annual report on the SWP. Ms. Sims said it is typically released at the end of December or beginning of January. Mr. Byrne suggested that Carl Torgersen, Deputy Director of the SWP, could discuss SWP governance issues at a future Commission meeting.

#### 5. Public Comments

There were no public comments.

**6. Status of Survey to Identify Near-Term Opportunities to Improve State and Regional Water Storage, Reliability, and Operational Efficiency**

Danielle Blacet, Association of California Water Agencies (ACWA) Special Projects Manager, updated the Commission on the status of the survey to identify potential near-term water projects. The survey is a collaboration between the Commission, ACWA, DWR, the Delta Stewardship Council and other agencies. It is consistent with Delta Plan Recommendation WR R14. The goal of the survey was to identify and compile a list of near-term local and regional water projects. Respondents were asked to identify the benefits potential projects would provide. The survey launched at the end of February. The initial deadline for responses was the end of March, but it was extended to capture as many responses as possible. The survey is still available on ACWA's website. Nearly 70 responses were received, representing 26 counties. The responses consisted of mostly surface storage reservoir projects, and also included conjunctive use projects, water transfers, and water quality improvement projects. Ms. Blacet provided an overview of several examples of projects received through the survey. Many of the potential projects would have both regional and statewide benefits. There have been other data collection efforts by ACWA, such as research for ACWA's report on the 2014 drought. The report highlights the need for infrastructure investments, such as the projects in the survey results. Existing inventories were used to supplement the data that was gathered through the survey. The results demonstrate that there are numerous local and regional projects that could be implemented in the next five to ten years. The database outlines why some of these projects have not moved forward. The data will be used in ongoing planning efforts. ACWA plans to collaborate with the Commission to follow up on projects as appropriate.

Commissioner Curtin asked about the potential for sediment removal from existing dams. Ms. Blacet said her understanding is that the cost per acre foot of water supply benefit is quite expensive. Mr. Curtin said it would be helpful to get more analytical data on sediment removal. Ms. Blacet said many of the proposed projects in the survey inventory pertain to the presence of sediment. Commissioner Saracino added that Dr. Jay Lund did a study analyzing the costs of sediment removal and it found that the cost per acre-foot for sediment removal is approximately \$8,000 to \$10,000, significantly more expensive than most proposed reservoirs. Additionally, sediment removal is generally only an issue in smaller dams. Commissioner Delfino asked if snowpack retention was part of the definition of storage used for the survey. Ms. Blacet said storage was not defined for respondents, and noted that ACWA is working on a headwaters framework highlighting that issue. Ms. Delfino asked if any agencies submitted such projects. Ms. Blacet did not believe so. Mr. Saracino asked about plans to expand on the survey and requested additional information on project yield, how that yield will be used, and what the source of the water will be. Ms. Blacet said that respondents may be contacted for additional information.

Randy Fiorini, Chair of the Delta Stewardship Council, discussed potential next steps. ACWA's involvement helped stimulate a better response than if the survey had come only from a state agency. It is important to note that there was no funding associated with the survey. A great deal of potential exists in local projects. The Sugar Pine Reservoir is an icon of local opportunity. The installation of radial gates would add 3,000 acre feet of storage capacity. The drought has focused the attention of the administration and legislature on water issues. The Commission is ahead of the curve in highlighting additional storage as a tool to insulate the state from future drought. As the water bond develops and the Brown administration weighs in on groundwater management,

local projects will become a new focus. If money is made available, it may be helpful to re-circulate the survey in order to get more responses.

Greg Zlotnick provided public comments in his capacity as Chair of the ACWA Groundwater Committee. One of the subcommittees is looking specifically at the issue of groundwater capacity, primarily south of the Delta, and where groundwater projects would be most beneficial. Ms. Delfino asked if the subcommittee is also looking at water quality issues. Mr. Zlotnick said he expects water quality will be part of the conversation. Mr. Curtin noted that there are also significant groundwater issues in coastal areas. Mr. Zlotnick said the committee is examining groundwater opportunities statewide, but the subcommittee emphasis will be on the San Joaquin Valley. Commissioner Orth stated that there are several studies underway looking at on-farm flood water utilization and this should be included as a component of subcommittee's groundwater analysis. Mr. Zlotnick confirmed that it will be included.

Charles Gardiner, Executive Director of the Delta Vision Foundation, said the foundation convened a workgroup to explore what it will take to advance water storage. The Delta Vision Foundation believes storage is needed to create flexibility in the system and achieve both of the co-equal goals. Mr. Gardiner highlighted the need for an analysis of how California's water system could work in a more integrated manner to maximize benefits and flexibility. He also mentioned the Nature Conservancy's (TNC) broad analysis of system integration. The Foundation is looking at ways to overcome the institutional barriers to making decisions about storage. There needs to be a partnership between regional, state, and federal entities. The workgroup developed suggestions to support local and regional collaboration that also meets statewide needs.

Mr. Saracino said he was the project manager on behalf of TNC for the storage analysis. The analysis examined new integration of opportunities for new surface storage and groundwater storage to meet multiple objectives. A more detailed presentation on the results of the analysis could be of interest to the Commission.

**7. Proposals to Improve Groundwater Management in California**

Gordon Burns, Undersecretary of the California Environmental Protection Agency, provided context for the discussion of groundwater in California. The administration's focus on groundwater is included in the California Water Action Plan. The aim of the Water Action Plan is to look at the larger picture. All elements of the state's water system are interrelated and the administration is trying to move forward in a coherent way with the most pressing problems. Groundwater is vital to water storage, supply, and reliability. On average, the state uses about 15 million acre feet per year, but groundwater's importance to supply varies by region. The Tulare and Sacramento regions use the most groundwater in total, but groundwater is a larger portion of the water supply in the Central Coast and South Lahontan regions. Groundwater is essential to mitigate the effects of drought, maintain ecosystems, and respond to population growth and climate change. Climate change affects infrastructure and the overall water system. Water infrastructure was built for hydrology vastly different from what many parts of California are currently experiencing.

Groundwater problems vary between basins. Local agencies need to lead groundwater solutions and management. There are water quality issues in coastal areas from seawater intrusion. Many

regions of the state are in overdraft. One large challenge is that local agencies are fragmented and are often not aligned with the borders of the basins. Groundwater levels are at historic lows in most areas of the state. Subsidence leads to permanent loss in storage capacity and damage to infrastructure. One example of current groundwater management challenges is the conflict between homeowners and agricultural users in Paso Robles over declines in groundwater levels. There are jurisdictional problems because the groundwater basin spans two counties and many areas are not covered by a groundwater authority. These sorts of conflicts are a political problem, as well as a problem for the communities involved. One of the key principles of the administration's proposal is that there needs to be local control of groundwater management. The state needs to help local entities by providing the necessary authority, technical assistance, and financial resources. There must also be a state backstop if local agencies are unwilling or unable to address critical problems. Even if the state steps in, local control should be returned as soon as possible. It is also important to work within the existing water rights system. The administration's proposal also seeks to legally protect groundwater recharge, strengthen the link between land use and groundwater planning, and make adjudications more efficient. The state should complement the goal of local sustainable groundwater management.

Dave Bolland, ACWA Senior Regulatory Advocate, said there is an unprecedented strain on groundwater in California and declines are becoming unsustainable. ACWA released its Groundwater Framework in 2011. ACWA's Groundwater Sustainability Task Force was created in November 2013. That group established core values, policy objectives, and eight recommendations for sustainable groundwater management. The recommendations include 1) a definition for sustainable groundwater management which features a long implementation horizon and multiple objectives; 2) an immediate focus on unmanaged basins; 3) uniform minimum mandatory requirements for groundwater management plans and implementation; 4) best management practices developed by the state that allow flexibility for local groundwater managers; 5) enhanced local authority; 6) adequate funding from multiple sources; 7) a state backstop, and 8) removing impediments to water supply reliability. ACWA's "Recommendations for Achieving Groundwater Sustainability" outlines some helpful local authorities, noting different authorities may be appropriate in different areas. It would be helpful for local groundwater managers to have statutory authority to work with local entities that are not compliant. There needs to be a link between water and general planning. Groundwater cannot and should not be managed as an independent resource, but rather as part of overall water management. There are many ideas about what sustainability is and how it should be achieved, but many of the proposals and themes within them are complementary.

Kate Williams, Program Manager for the California Water Foundation (CWF), said the mission of CWF is to advance a sustainable and resilient water future for cities, farms, and the environment. Groundwater has recently gained much more attention in the public, press, and legislature. In February 2014, CWF was asked by the Brown Administration to put together a groundwater stakeholder group. CWF released recommendations for groundwater stability in May. The recommendations were developed through work with a variety of stakeholders. The findings are similar to those of ACWA and the administration. One of the key findings is that groundwater management has to be done at the local level and local managers need better tools and authorities. It is also imperative to protect local property and water rights. There is broad agreement that a state backstop is necessary, but work must be done to define the details of

authority and function. Correcting the problem will take time; 20 years is the time frame used in several reports. There is a strong interest in increasing access to groundwater information and data. Comprehensive legislation is required to achieve sustainability. CWF developed a list of recommendations for groundwater sustainability. A clear definition of sustainable groundwater management is necessary to guide policy and action. The California Statewide Groundwater Elevation Monitoring (CASGEM) basin prioritization should be used to target high priority basins. New groundwater management agencies with new authorities will be necessary. Entities should be required to adopt sustainable groundwater management plans with measurable targets. State roles should be established for technical assistance, financial assistance, oversight, and enforcement. Funding is critical to groundwater management. Challenging issues include protection of property rights, groundwater management and surface water interaction, inclusiveness and transparency, land use coordination, and prevention versus reaction. There are two bills for groundwater management currently in the State Legislature; efforts are underway to coordinate and merge the two bills.

Kasey Schimke, DWR's Assistant Director for Legislative Affairs, discussed DWR's current and possible future role in groundwater management. There is broad agreement that local agencies need tools, resources, and authorities for groundwater management. DWR is likely to provide some of those tools and resources. In February 2014, SB 103 was passed as part of the emergency drought legislation. It provided additional funding to expedite elements of the CASGEM program. The recently passed budget included \$2.5 million of additional funding to DWR for groundwater activities. DWR plans to update Bulletin 118 - which was last updated in 2003 - with updated information, a broadened scope, and new guidance documents. This would provide the broad base of state technical assistance for groundwater management. DWR is also working to expand subsidence monitoring. CASGEM online well completion reports will expedite information collection. It is also necessary that local agencies have funding. It is likely that there will be a need for statewide funding. In the meantime, DWR is bolstering technical assistance. DWR's planned activities are consistent with the administration's proposal and both legislative proposals. The current focus on groundwater has engendered unprecedented cooperation and funding.

Mr. Orth said groundwater must be managed in conjunction with other water resources, but the proposed legislation focuses on only groundwater; he asked how the state should move forward to avoid considering groundwater independently. Mr. Burns said that the bills focus on groundwater because they concern groundwater management. The administration views groundwater initiatives as one piece of the cohesive actions guided by the California Water Action Plan. There is a focus on groundwater in the legislative proposals, but the proposals exist in a broader context of other initiatives that are moving forward.

Ms. Delfino asked if there is a way to ensure that ecosystems and in-stream uses are considered in the development of groundwater management plans. Mr. Bolland said those are values in California's water management, but we cannot expect the pending groundwater legislation to address all those values. Agencies at all levels must consider the multiple-objective nature of California's groundwater management challenge. ACWA has identified several environmental concerns that must be part of comprehensive planning. The incorporation of environmental concerns must occur in local planning processes because those concerns are location specific.

Funding, peer review, and transparency can be used to ensure that environmental needs are addressed in local groundwater management.

Commissioner Hintz asked which agencies might have jurisdiction over groundwater since there are a variety of local agencies that may compete for control. Ms. Williams said agencies will need to work together to choose how to actively manage groundwater in their basin. In many cases a new groundwater management district will need to be formed. Mr. Bolland added that it will be a difficult process. The state must maintain flexibility because different approaches will be successful in different subbasins. Mr. Burns added that there is broad recognition that there needs to be governance over all areas, but local agencies must have flexibility. Mr. Orth said that flexibility is necessary, but California cannot allow groundwater basins to continue to be managed in a fractured way. It is important to consider the role IRWM plans may have in groundwater management and governance structures. Part of finding solutions to California's groundwater issues is discussing groundwater in a broader context.

Commissioner Del Bosque said he is glad to hear that local control is proposed. He also suggested that the Commission could hear from existing groundwater management agencies about how they manage groundwater among fragmented entities.

Commissioner Ball asked if a peak water analysis has been done to determine when each basin will run out of groundwater if pumping continues at the current rate. Such information would emphasize the urgency of the need to manage groundwater sustainably. He also said that ACWA's definition of sustainable groundwater management is ambiguous because sustainability should involve an indefinite time frame. Groundwater storage and recharge will become even more important in the future. Mr. Bolland said ACWA began with a previously-used definition from the U.S. Geological Survey, but felt that there needed to be a defined planning horizon. Goals should be extended every time groundwater management plans are revised. Plans must constantly aim for immediate sustainability. Mr. Ball said immediate sustainability is not enough; timelines should be based on a peak water projection for each basin. Mr. Bolland said ACWA assumes that process will happen locally. He added that each proposal for sustainable groundwater management contains a different definition.

## **8. Legislative Update**

Kasey Schimke discussed current proposals in the State Legislature. There are two bills for groundwater management: AB 1739 (Dickinson) and SB 1168 (Pavley). The other major matter is the ongoing discussion of the water bond. The three proposals to replace the existing bond are AB 1331 (Rendon), AB 2686 (Perea), and SB 848 (Wolk). Commission staff produced a chart comparing the prospective water bond bills and the existing water bond. There is a broad range of legislation that would impact DWR and the Commission. Other relevant bills include SB 1259 (Pavley) would require DWR to prioritize reservoirs with sedimentation issues, and several bills that would update urban water management planning requirements. Mr. Curtin asked for a summary of the groundwater bills. Mr. Schimke said both bills were amended earlier that day. The recommendations provided by CWF provided some of the basis for SB 1168 (Pavley). AB 1739 (Dickinson) incorporates some of ACWA's recommendations. Elements of the administration's proposal were also worked into both bills.

Mr. Ball said Senator Wolk's water bond proposal, SB 848, has been opposed by many groups, and public polls continue to indicate that the public will not approve such an expensive bond. Mr. Ball asked when Governor Brown will voice his opinion on the water bond. Mr. Schimke said he does not know when the Governor will make a statement on the bond proposals. Mr. Curtin said the polls are rapidly shifting because the drought has attracted public attention. The future of the water bond is still uncertain and the Governor has yet to weigh in. Ms. Delfino said it will be difficult to develop a water bond that can pass in the legislature and be approved by the public. Mr. Byrne asked if DWR is considering any actions in regard to SWP recruitment and retention and if there are potential actions that would require legislation. Mr. Schimke said he does not know, but the bargaining unit changes that occurred in 2013 were expected to provide some relief.

**9. Update on Drought Task Force and State Agency Activities**

Jeanine Jones, DWR's Interstate Resources Manager and Deputy Drought Manager, updated the Commission on current drought conditions and state agency activities. California has had three consecutive years of below average precipitation. Conditions in previous droughts were very different from current conditions, which have contributed to this drought's severe impacts. During previous droughts, California had a smaller population and less irrigated agriculture. Many of our current water projects did not exist during previous droughts. Salinity intruded farther upstream in the Delta before California's major water projects were constructed, but salinity intrusion continues to be a concern during dry periods. It is difficult to compare current water project allocations to past droughts because there are different operational conditions and constraints now. Drought emergency legislation passed in March provided more funding for drought response actions. Governor Brown announced drought proclamations in January and April which called upon state agencies for a variety of actions. DWR has focused on coordinating SWP operations with the Central Valley Project in order to meet all requirements. DWR considered the need for emergency barriers in the Delta to control water quality. The drought emergency legislation provided for local assistance funding which DWR is administering. There are several drought-related studies with which DWR is involved, including a status report on the condition of groundwater basins statewide. Three consecutive dry years have impacted groundwater conditions; many areas are experiencing historically low groundwater levels. Drought causes severe problems in fractured rock groundwater basins. Small water systems that rely on fractured rock groundwater are at risk of running out of water supplies. Drought also greatly increases wildfire risks. Ms. Jones also discussed what may happen in 2015. California should not rely on predictions of El Niño to end the drought. There is not a strong correlation between the status of the El Niño Southern Oscillation (ENSO) and water supply conditions. One of the directions in the drought proclamation is to improve seasonal forecasting to provide some predictive guidance. Large atmospheric river storms are typically necessary to end a drought.

Ms. Delfino said releases from Folsom Lake into the American River are used to respond to salinity conditions in the Delta and asked how agencies will ensure they hold back enough water to respond to conditions if 2015 is also dry. Ms. Jones said that was a significant part of the discussion about water project allocations. Recent releases are a short-term response to a tidal cycle that was higher than predicted. Releases are adjusted frequently to respond to daily conditions.

Mr. Curtin asked if there would be more salinity variability in the Delta without human intervention. Ms. Jones said the conditions that exist in our managed system are very different from historical conditions. Human management of natural systems has removed some extremes. Mr. Curtin said California's water infrastructure requires less salinity in the Delta, so it has been altered to maintain that condition. Ms. Jones said all of California is a highly altered ecosystem. There are water quality and Endangered Species Act requirements that dictate where salinity levels must be maintained in the Delta.

Mr. Del Bosque asked about the scope and timing of recent diversion curtailment orders for post-1914 water rights holders. Ms. Jones said curtailment does not occur as often in California as it does in many other western states. Diversions are curtailed more frequently in less developed river systems. This is the first time curtailments have been ordered in the Central Valley since the 1977 drought. If most of a river's flow is reservoir releases, riparian rights holders and appropriative rights holders may not divert that flow. The goal is to ensure that people can exercise their water rights in accordance with California's priority system. Mr. Byrne asked if riparian rights would be curtailed if only reservoir flows were available. Ms. Jones said they would because riparian rights holders are only entitled to natural flows. Mr. Del Bosque asked if curtailment includes all streams flowing into the Central Valley. Ms. Jones said the State Water Resources Control Board (State Board) ordered curtailments throughout the Sacramento and San Joaquin Valleys based on the priority date of water rights. Many of the curtailments have already occurred. The State Board sent out a notice of intent to curtail diversions very early in the year.

**10. Implementation of Governor's Water Action Plan**

This item was postponed to July 2014.

**11. Consideration of Items for Next California Water Commission Meeting**

Ms. Sims offered to draft a letter that could be considered regarding the needs for groundwater management. Staff will continue to work with DWR to expand the inventory developed from the water projects survey. Items for the next meeting will include a discussion about organizational and administrative changes DWR is making for the Bay Delta Conservation Plan, a progress report on the Governor's California Water Action Plan, a discussion of the Sites Reservoir proposal and a local alternative, and an update on the water bond. Ms. Delfino said the Pacific Institute and Natural Resources Defense Council recently released a report on water use efficiency that she would like a presentation on. Mr. Curtin said he would like to keep in mind the connection between watershed issues and groundwater. Ms. Sims said the Executive Officer of the California Board of Forestry will speak at the Commission meeting in August.

Mr. Byrne adjourned the meeting at 12:20 p.m.