



SACRAMENTO - SAN JOAQUIN
DELTA CONSERVANCY

Date: July 26, 2010
From: Cindy Messer, Interim Executive Officer
To: Delta Conservancy Board Members
Subject: Meeting, August 4, 2010

Material for our next meeting is in the enclosed binder, including the agenda and various attachments. Some handouts may be provided at the meeting.

Meeting Overview

The major tasks for this meeting include: 1) continuation of administrative and organizational start-up of the Conservancy, including follow-up on several items presented previous meetings; and 2) presentations on key Delta planning efforts including the Central Valley Joint Venture Management Plan (US Fish and Wildlife Service) and Delta counties' habitat conservation plans.

Call to order and Welcome (Agenda items 1-3)

At 9am the Chair will call the meeting to order, proceed with a flag salute, and welcome fellow Board members, Conservancy staff, stakeholders and members of the public.

General Public Comments (Agenda item 4)

Members of the public who wish to comment on items not included for discussion on this agenda may do so at this time. New items will be noted and may be considered for inclusion on future meeting agendas.

Administrative Agenda (Agenda items 5-11)

This first part of the agenda will consist of administrative, organizational and Consent Calendar items. To begin, Legal counsel will administer the Oath of Office as necessary, to any alternate Board members or new Board members present. Next, the Interim Executive Officer will call roll to establish a quorum followed by the Executive Officer's report which includes updated information on key items presented at previous meetings. These key items include; 1) Executive Officer recruitment efforts; 2) Conservancy staff hiring efforts; 3) action items identified from previous meetings; and, 4) review of revised high level one year agenda. Next,

Conservancy staff will recommend the Board adopt a statement of incompatible activities which sets forth the standard of employee conduct for the Conservancy.

Agenda Item 9 is a letter from the North Delta Water Agency indicating meeting date conflicts. I encourage the Board to review this letter and discuss how they would like to address the agency's concerns.

The Board in its June meeting requested staff to prepare a brief report regarding options for the Conservancy if the Safe, Clean, and Reliable Drinking Water Supply Act of 2010 is not on the November 2, 2010, ballot. This report is meant to generate conversation among the Board members regarding their vision for the Conservancy.

Lastly, Conservancy staff will present Consent Calendar items for Board review and approval which consists of the July 7th meeting summary.

Regular Agenda (Agenda items 12-13)

During this second portion of the meeting, the Board will hear presentations on key Delta planning efforts related to the development of the Conservancy's Strategic Plan. The first presentation on the Central Valley Joint Venture Management Plan including an overview, the objectives/goals, scope and potential relationship to the Conservancy's strategic plan. The second presentation will be about the Delta counties' habitat conservation plans. A panel of county representatives will discuss their individual county's plan, the coordination between the counties, and how the Conservancy may be able to assist in these efforts.

Scheduling September Board Meeting (Agenda item 14)

Prior to adjourning, the Board may wish to briefly discuss the September Conservancy Board meeting, which will be a day-long tour (approximately 9 a.m. to 3 p.m.) of the Delta.

Public Comments (Agenda item 15)

At this point, members of the public may comment on any agenda item discussed. In many state public meetings, it is normal practice to ask those who wish to speak to fill out speaker cards in advance and indicate the item(s) they want to address. Conservancy staff will have speaker cards available at the meeting and will also accept written materials prior to meeting as specified in the Conservancy's meeting procedures adopted on June 9, 2010.

If I can answer any questions or provide any information, please contact me at (916) 375-2090 or cmesser@deltaconservancy.ca.gov



SACRAMENTO - SAN JOAQUIN
DELTA CONSERVANCY

-- MEETING NOTICE --

Meeting of the SACRAMENTO-SAN JOAQUIN DELTA CONSERVANCY

Wednesday, August 4, 2010

9 a.m. – 12 p.m.

3500 Industrial Boulevard, Room 119

West Sacramento, CA 95691

ADMINISTRATIVE AGENDA (Items 1-10)

1. Call to Order
2. Flag Salute
3. Welcome and Introductions
4. General Public Comments
5. Oath of Office (if necessary)
6. Roll Call
7. **RECEIVE** Executive Officer's Report – (**Attachments 1a-c**)
 - Executive Officer Recruitment Efforts
 - Conservancy Staff Hiring Update
 - Conservancy Headquarters Search
 - Conservancy Budget Update (**Attachment 1a**)
 - Conservancy Progress in other Delta Planning Efforts (**Attachment 1b**)
 - Conservancy's Role in CEQA Process
 - Legislative Update
 - Revised High Level Year One Agenda (**Attachment 1c**)
8. **ADOPT** Statement of Incompatible Activities – This is a policy document that sets forth the standard of employee conduct for the Sacramento-San Joaquin Delta Conservancy—(**Attachment 2**)

9. **RECEIVE and DISCUSS** letter from North Delta Water Agency regarding meeting time conflicts – (**Attachment 3**)

10. **RECEIVE and DIRECT** staff regarding options for the Delta Conservancy if the Safe, Clean, and Reliable Water Supply Act of 2010 (Water Bond) is not on the November 2010 ballot—(**Attachment 4**)

CONSENT CALENDAR (Item 11)

(Items for consent calendar are expected to be routine and non-controversial. The Board will be asked to approve the items at one time without discussion. If any Board member, staff, or interested person requests that an item be removed from the consent calendar, it will be taken up in the regular agenda order.)

11. Action Items and Meeting Summary for Board Meeting on July 7, 2010 – (**Attachment 5**)

REGULAR AGENDA (Items 12-16)

12. **RECEIVE** presentation about the Central Valley Joint Venture Management Plan – (**Attachment 6**)

13. **RECEIVE** presentation about the Delta Counties Habitat Conservation Plans

14. **CONFIRM** September 1, 2010 Tour of the Delta for Board

15. **PUBLIC COMMENTS**

16. **ADJOURN**

-
- Attachments and additional information can be found on the Delta Conservancy's website at : <http://www.deltaconservancy.ca.gov>

 - If you have any questions or need reasonable accommodation due to a disability, please contact Rhonda Hoover-Flores, Delta Conservancy (916) 375-2084



SACRAMENTO - SAN JOAQUIN
DELTA CONSERVANCY

3500 Industrial Blvd.
West Sacramento, CA 95691
<http://www.deltaconservancy.ca.gov>

Sacramento-San Joaquin Delta Conservancy Executive Officer's Report

Executive Officer Recruitment Efforts

The first meeting of the Executive Officer Recruitment Advisory Committee was August 2, 2010, in West Sacramento. Attendees included the advisory committee members Jim Provenza, Eddie Woodruff, and Mike Eaton, and Cindy Messer, representing Conservancy staff. Items for discussion were: 1) status of the CPS contract; 2) developing regular meeting schedule for the advisory committee; 3) determining schedule for CPS involvement in advisory committee meetings; 4) identifying advisory committee member roles, Conservancy staff roles and determining reporting method to the Conservancy Board; 5) defining CPS's role in recruitment process; 6) discussing different recruiting processes (VPOS, CPS); 7) developing timeline for hiring Executive Officer; and, 8) developing draft duty statement for the Conservancy's Executive Officer.

In addition, a formal request to begin developing the interagency agreement between the Conservancy and CPS was submitted to Delta Stewardship Council Administrative staff on July 16, 2010. The Council will continue to support the Conservancy with administrative tasks such as contracting during Fiscal Year 2010-11.

Conservancy Staffing Update

Interviews were held July 8th, 9th and 13th for the vacant Board Liaison (Associate Governmental Program Analyst) position within the Conservancy. Ten applicants were interviewed. The panel identified applicants to bring back for a second interview, but due to a Personnel-related issue the hiring process will have to be repeated from the start.

Current vacancies and deadlines for hiring these staff are;

- Executive Officer – December 31, 2010
- Associate Governmental Program Analyst I – December 31, 2010
- Associate Governmental Program Analyst II – December 31, 2010
- Staff Environmental Scientist/Environmental Scientist – November 26, 2010

I am currently investigating possibility of extending deadline for hiring new staff past the 6 month requirement to reflect the date the State's budget is signed; once the budget is signed these positions officially belong to the Conservancy. The Department of Water Resources has done this in the past and they are assisting in this effort by providing templates for justification language.

Conservancy Headquarters Search

The Department of Water Resources has revised the MOU to reflect the new end date of June 30, 2011, and is currently circulating it for signature.

The Department of General Services has begun a search for potential office space for the Conservancy in West Sacramento and hopes to present these options to the Conservancy at the end of July.

Conservancy Budget Revision for Fiscal Year 2010-11 (Attachment 1a)

Until the State's budget is passed, the Conservancy's budget has not officially been approved by the Governor's Office and Department of Finance (for the Conservancy's staff positions). The Conservancy has begun to receive authorization and information related to accounting, purchasing, and contracting such as billing codes and account numbers, but no actual expenditures have been generated. The Delta Stewardship Council continues to provide administrative support, but has begun creating new accounts using the Conservancy's billing code so that expenditures come out of the Conservancy's funding and not the Council's in the new fiscal year.

I have started revising the Conservancy's budget to reflect actual salary figures, actual operating costs (where information is available). I am continuing to try and develop estimates for legal services, IT services and other miscellaneous contracts for services required by the Conservancy. I will continue to provide updates to the Board monthly regarding budget revisions and expenditures as they occur.

Attachment 1a is the current revised budget for the Conservancy.

Conservancy Progress Regarding other Delta Planning Efforts (Attachment 1b)

I participated in the first meeting of the Delta Plan Interagency Coordination Team on July 16th.

Conservancy's Role Regarding CEQA Process

Conservancy staff have received draft language, to use as a template, from the Chief Counsel at the Delta Stewardship Council. This language will be refined to describe the Conservancy's role and responsibilities regarding CEQA reviews and regulations. Conservancy staff are currently revising the language and will forward to the Conservancy's legal counsel for review prior to presenting to the Board.

Legislative Update

AB1677 (Caballero) Sacramento-San Joaquin Delta was signed by the governor on July 6, 2010. This legislation corrected the section of the Sacramento-San Joaquin Delta Conservancy Act that misidentified the Secretary of the Interior as the appointing authority for the National Marine Fisheries Service's liaison advisor seat on the Board. The Secretary of Commerce is the appointing authority for that position.

Revised High Level Year One Agenda (Attachment 1c)

High level agenda was updated to reflect tentative agendas for September through November 2010 Board meetings. Please see attachment 1c.

Delta Conservancy Budget for FY 2010-11 as of July 19, 2010

Total Funding:	\$1,329,000
Salaries and benefits*	\$613,015
Operating Expenses	\$209,340
Addl 5% reduction	\$6,645
Reimbursable	\$500,000

Staffing	Funding Source	Budgeted	Expended	Balance	% Spent
Salaries	Conservancy	\$477,984			
Salary Savings (5%)	Conservancy	-\$23,899			
Benefits	Conservancy	\$158,930			
Staffing Totals (no furlough days included)	Conservancy	\$613,015			

Operating Expenses and Equipment	Funding Source	Budgeted	Expended	Balance	% Spent	Details
Facilities	Conservancy	\$0				DWR MOU thru 6/30/11
IT equipment, support	Council, Resources Agency?	\$0				Resources Agency
Administrative support	Council	\$0				Council thru 6/30/11
Contracts -Interagency Agreements						
Legal services	Conservancy	\$60,000				AG's Office
CPS for EO Recruitment	Council	\$20,000				Council will pay for this
AV/Webcasting	Conservancy					
Worker Compensation	Conservancy					
Labor Relations	Conservancy					
Contracts External						
General Expenses						
Car rental, cabs	Conservancy	\$1,000				
Cell phones	Council?	\$0				
Facility rental for Board meetings	Conservancy	\$1,200				
Equipment (purchase, maintenance)	Conservancy, Council	\$5,000				copier, printer, server
Printing	Conservancy	\$7,000				
Postage	Conservancy	\$7,000				
Utilities	Conservancy	\$0				
Travel (for Board members)	Conservancy	\$2,000				
Travel (for Conservancy staff)	Conservancy	\$1,000				
Training, Conferences, Workshops	Conservancy	\$5,000				
Control Agency Costs	Conservancy					Resources Agency
Operating Total		\$109,200				

* 5% salary savings incl.



SACRAMENTO-SAN JOAQUIN
DELTA CONSERVANCY

STAFF INTERACTION WITH OTHER
 DELTA PLANNING EFFORTS

	ACTIVITY	MEETING	PRES.	SUMMARY	DATE	STAFF PERSON
1.	Delta Science Program Presentation Floating Islands: A New Technology for Enhancing the Ecology of the Sacramento-San Joaquin Delta		X	Recycled material used to bio-mimic natural flotons. (floating islands) that can provide avian nesting areas and provides riparian shade and food for salmonids	6/16/10	Nancy Ullrey
2.	DPC-sponsored public meeting regarding a feasibility study for a national Heritage Area in the Delta	X		Discussed attributes of NHAs, process of feasibility study, and offered opportunities for local residents to ask questions and provide feedback.	6/21/10	Nancy Ullrey
3.	Mosquito/Vector Control Districts	X		Information sharing, summary how Conservancy and districts could work together in future.	7/1/10	Cindy Messer Nancy Ullrey
4.	Delta Plan Interagency Coordination Team	X			7/16/10	Cindy Messer
5.						
6.						
7.						
8.						
9.						
10.						
11.						
12.						

**Sacramento-San Joaquin Delta Conservancy
High Level Planning Calendar**

Version 7/16/2010

June 9, 2010	July 7, 2010	August 4, 2010	September 1, 2010
<p>Initial Business</p> <ul style="list-style-type: none"> Oath of Office Election of Officers Adopt Board meeting procedures Appoint Interim Executive Officer Introduce Conservancy Staff Conflict of Interest Code/Bagley-Keene Personnel Packets 	<p>Updates:</p> <ol style="list-style-type: none"> Oath of Office (if necessary) Executive Officer Report <ul style="list-style-type: none"> Executive Officer Recruitment Conservancy Staff Hiring (Board Liaison) MOU & Headquarter Search Update Coordinating with Other Delta Planning Efforts Budget CEQA Role Action Item from 6/9 meeting Legislation Update 	<p>Updates:</p> <ul style="list-style-type: none"> Executive Officer Recruitment Conservancy Staffing Conservancy Headquarters Search Budget Coordinating with Other Delta Planning Efforts CEQA Role Legislative Update Revised High Level Planning Calendar 	<p>DELTA TOUR</p>
<p>Briefings</p> <ol style="list-style-type: none"> Implementing Legislation Governor's Budget Headquarters Search Legislation Related planning efforts 	<p>Briefings</p> <ol style="list-style-type: none"> Delta Plan (Delta Council) <ul style="list-style-type: none"> Overview, Current Status Conservancy's Role (Joe Grindstaff) BDCP <ul style="list-style-type: none"> Overview, Current Status, Conservancy's Role (Karla Nemeth) Central Valley Joint Venture Implementation Plan (Robert Schaffer) 	<p>Briefings</p> <ol style="list-style-type: none"> Safe, Clean, Reliable Drinking Water Supply Act of 2010 (Prop. 18) and Implications of Postponement Central Valley Joint Venture Management Plan Delta Counties Habitat Conservation Plans 	<p>Briefings</p> <ol style="list-style-type: none"> Flood Planning Levees Emergency Preparedness & Response
<p>Action Items</p> <ol style="list-style-type: none"> Delegation of Authority/Interim Executive Officer (EO) Executive Officer Recruitment Contract Executive Officer Selection Committee MOU Regarding West Sacramento Office Board meeting schedule 	<p>Action Items</p> <ol style="list-style-type: none"> Ratify Org Chart Conflict of Interest Code, Approve, TAKE Action re Code, Direct staff to initiate rulemaking process with OAL. Review Revised High Level 1 Year Agenda Consent Calendar 	<p>Action Items</p> <ol style="list-style-type: none"> Statement of Incompatible Activities 	
<p>Discussion/Direction</p> <ol style="list-style-type: none"> Consistency between Board's Strategic Plan and Other Delta Planning Efforts Year One Agenda 	<p>Discussion/Direction</p>	<p>Key Items and Dates</p> <ol style="list-style-type: none"> Board members have until December 9 to complete online ethics training. 	<p>Key Items and Dates</p> <ol style="list-style-type: none"> Conflict of Interest Code 45-day review period ends September 6.
October 6, 2010	November 3, 2010	December 1, 2010	"Parking Lot" New
<p>Updates:</p> <ul style="list-style-type: none"> Executive Officer Recruitment Conservancy Staff Hiring Budget Legislation <p>Discussion: Conservancy's Mission and Goals</p>	<p>SUISUN MARSH TOUR</p>	<p>Updates:</p> <ul style="list-style-type: none"> Executive Officer Recruitment Conservancy Staff Hiring Budget Legislation <p>Discussion: Conservancy's Mission and Goals</p>	<ol style="list-style-type: none"> Performance Measures (conceptual) Strategic Plan <ul style="list-style-type: none"> Goals Approach (mechanics) Department of Fish & Game - PSP
<p>Briefings</p> <ol style="list-style-type: none"> Delta Science Program DPC Economic Sustainability Plan Governor's Office of Economic Development 	<p>Briefings</p> <ol style="list-style-type: none"> Suisun Marsh Plan 	<p>Briefings</p> <ol style="list-style-type: none"> 	
<p>Action Items</p> <ol style="list-style-type: none"> Adopt Conflict of Interest Code Conservancy's CEQA Role 		<p>Action Items</p> <ol style="list-style-type: none"> Adopt Conflict of Interest Code Conservancy's CEQA Role 	
<p>Key Items and Dates</p>	<p>Key Items and Dates</p>	<p>Key Items and Dates</p> <ol style="list-style-type: none"> Voting Board members must complete online ethics training by December 9, 2010. Conservancy staff must be hired and on the job by December 15, 2010. 	



Consideration of Statement of Incompatible Activities for the Sacramento-San Joaquin Delta Conservancy

Requested Action: Adopt policy that sets forth the standard of employee conduct for the Sacramento-San Joaquin Delta Conservancy.

Background

Pursuant to Government Code Section 19990, the Delta Conservancy Board must adopt a Statement of Incompatible Activities that sets forth standards of conduct with which staff working for the Sacramento-San Joaquin Delta Conservancy (Delta Conservancy) are expected to comply.

List of Attachments

Attachment 1 – Statement of Incompatible Activities for the Sacramento-San Joaquin Delta Conservancy

Contact

Matt Campbell, Deputy Attorney General
Sacramento-San Joaquin Delta Conservancy
Phone: (916) 327-2477

Attachment 1

STATEMENT OF INCOMPATIBLE ACTIVITIES FOR THE SACRAMENTO-SAN JOAQUIN DELTA CONSERVANCY

Pursuant to Government Code Section 19990, this policy statement sets forth standards of conduct with which staff working for the Sacramento-San Joaquin Delta Conservancy (Delta Conservancy) are expected to comply.

Section 19990 of the Government Code requires in part that:

"A state officer or employee shall not engage in any employment, activity or enterprise which is clearly inconsistent, incompatible, in conflict with or inimical to his or her duties as a state officer or employee or with the duties, functions or responsibilities of his/her appointing power or the agency by which he or she is employed."

The following employments, activities or enterprises by officers or staff of the Delta Conservancy are considered to be inconsistent, incompatible or in conflict with their duties:

1. The use for private gain or advantage of state time, facilities, equipment or supplies, or the prestige or influence of one's office or employment. Examples include, but are not limited to:
 - a) The use for private gain or advantage of confidential information acquired by virtue of state office or employment;
 - b) The undisclosed financial interest in any organization, firm, corporation or person who is subject to gain by Delta Conservancy activities. Any such financial interest must be disclosed to the Delta Conservancy Executive Officer who must determine whether said interest is compatible with the employee's duties for the Delta Conservancy.
2. The receipt or acceptance of any money or other consideration from anyone (other than the state as employer) for the performance of an act that the officer or employee would be required or expected to render in the regular course of his or her employment or duties as a state officer or employee.

This provision, shall include accepting any gift or gratuity from any person whose interests may be affected by the performance of an officer or employee under circumstances from which it could reasonably be inferred that the gift was intended to influence his or her official duties. This shall not apply to items so nominal that they could not influence an officer or employee, such as coffee or sandwiches provided at working lunches, nor shall it apply to the acceptance of transportation provided in connection with the inspection of any project area or attendance at any meeting in the course of his or her duties.

3. The performance of an act in other than one's capacity as an officer or employee that may later be subject directly or indirectly to the control, inspection, review, audit or enforcement by such officer or employee or the agency by which he or she is employed.
4. The performance of an act that involves such time demands as would render performance of his or her duties as a state officer or employee less efficient.
5. Improper use or disclosure of information such as the following:
 - a) Providing confidential information to persons to whom the issuance of such information is likely to be detrimental to the Delta Conservancy;
 - b) Providing information or estimating services to contractors or other persons that will give them a competitive advantage over others in dealing with the Delta Conservancy.

The activities, employments or enterprises stated above do not attempt to specify every possible limitation on officers or employees that might be determined and prescribed under the authority of Section 19990 of the Government Code or that might otherwise be prohibited by statute or administrative rule or regulation governing the conduct of state officers or employees.

It is not the desire of the Delta Conservancy to inquire into the private affairs of its employees or to interfere with the exercise of First Amendment rights. We do ask the cooperation of each employee in avoiding any activity, employment or enterprise that conceivably might be inconsistent or incompatible or interfere in any way with his or her duties as a state officer or employee. Anyone planning such activities, employment or enterprise is asked to consult with the Delta Conservancy's Executive Officer.

Any officer or employee of the Delta Conservancy may appeal to the Delta Conservancy's Executive Officer the application of any provision of this statement to them in any specific circumstances.

NORTH DELTA WATER AGENCY

910 K Street, Suite 310, Sacramento, CA 95814
(916) 446-0197 Fax (916) 446-2404 melinda@northdw.com

Melinda Terry, Manager

Board of Directors

Henry N. Kuechler, Chairman

Neil Hamilton, Vice-Chairman

Kenneth A. Ruzich, Secretary/Treasurer

Steve Mello, Director

Carel van Löben Sels, Director

RECEIVED
DELTA CONSERVANCY
MAILROOM

2010 JUL 15 AM 9:17

July 13, 2010

Ms. Cindy Messer, Interim Exec. Dir.
Sacramento-San Joaquin Delta Conservancy
3500 Industrial Blvd.
West Sacramento, CA 95691

SUBJECT: Delta Conservancy meeting date conflicts

Dear Cindy,

Pursuant to our conversation, I wanted to follow-up to advise the board members of the Delta Conservancy that if they decide to have their meetings on the morning of the first Wednesday of the month, then they will be in conflict with the board of directors meetings of the North Delta Water Agency (NDWA) which are also scheduled for the mornings of the first Wednesday of the month. The NDWA meets every month.

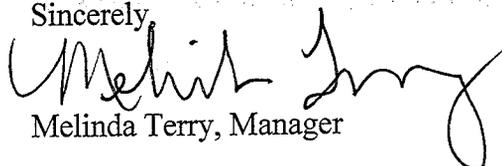
As you know, the NDWA encompasses approximately 277,000 acres of the legal Delta and is the location of most of the aquatic habitat restoration acres contemplated in the biological opinions, Bay Delta Conservation Plan, and possibly in the Delta Stewardship's ultimate Delta Plan, including the Yolo Bypass, Cache Slough, and Sutter/Steamboat Sloughs.

As the state agency charged with primary responsibility for implementing ecosystem restoration in the Delta, we hope you will recognize that it is essential for the NDWA to participate in your meetings. Therefore, we would request that the Conservancy consider changing its meetings preferably to the afternoon of the first Wednesday of the month, or to another Wednesday of the month.

You should also check the schedules of the Central Delta Water Agency and South Delta Water Agency to avoid conflicts with their board meetings as well.

Thank you for your consideration. Please call me if you have any questions regarding this request.

Sincerely,


Melinda Terry, Manager



Consideration of Staff Report Regarding the Impacts of Removing the Water Bond from the November 2, 2010, Ballot

Requested Action: Consider and discuss advantages and disadvantages for the Conservancy if the Safe, Clean, and Reliable Drinking Water Supply Act of 2010 (Proposition 18) is removed from the ballot. Consider and discuss staff recommendations to begin developing the mission, vision, and strategic plan for the Conservancy. Provide guidance to staff regarding priorities for future Board meetings and reports in accordance with Public Resources Code Section 32376.

Background

On November 9, 2009, the governor signed Senate Bill 2 of the Seventh Extraordinary Session (SBX7-2), the Safe, Clean, Reliable Drinking Water Supply Act of 2010 (water bond), requiring the water bond to be submitted to voters on the November 2, 2010, ballot. The Secretary of State's office designated the legislation as Proposition 18 (Prop. 18). Prop. 18 would authorize \$11.1 billion in general obligation bonds to finance a safe drinking water and water supply reliability program. The Conservancy would receive \$2.25 billion of the water bond funds to implement environmental and economic programs in the Delta.

Recently the governor and others have proposed removing Prop. 18 from the ballot. Supporters of removing the water bond from the ballot cite a weak economy and the concern that voters would not support new government borrowing. If Prop. 18 is removed from the upcoming ballot, the proposed new ballot date is 2012.

A bill removing Prop. 18 from the ballot must be approved by the legislature, signed by the governor, and chaptered with the Secretary of State's office before the voter's pamphlet is sent to the printer. The deadline for the November 2010 voter's pamphlet is 5 p.m., August 9, 2010.

As of July 21, 2010, Prop. 18 was still on the ballot.

Another option previously under discussion was to rewrite the water bond to reduce the total amount or to revise portions of the bill regarding how money could be spent. According to the California Secretary of State's office, in order to alter the text of Prop. 18, the legislature and governor would have had to enact legislation waiving certain statutory requirements—because the required 131 day deadline for ballot measures had passed—as of June 24, 2010 (Elections Code Section 9040). The legislature and

governor had until July 13, 2010, to enact new legislation that could be chaptered in time to appear on the November 2010 ballot.

At its July 7 meeting, the Board requested that staff prepare a report outlining the potential impacts for the Conservancy if the water bond is removed from the ballot. This report begins with a brief description of the assumptions used in developing the report and of the water bond provisions that pertain to the Conservancy, followed by a description of how the Conservancy may implement its programs if Prop. 18 were enacted by the voters. The report continues with a list of possible advantages or disadvantages for the Conservancy if Prop. 18 were removed from the ballot. This list is meant to be a conversation starter for the Board, along with the key questions and recommendations sections of the report.

Water Bond Provisions and the Delta Conservancy

Of the \$11.1 billion, the Delta Conservancy would receive \$2.25 billion to implement programs that advance, in a complementary manner, the environmental protection of the Delta and the economic well-being of Delta residents.¹ Section 79731 of Prop. 18 designates bond money for grants and direct expenditures, and specifies the amount and topic area of those expenditures. Sections 79705 and 79706 specify percentages of bond funds that can be used for administration of grant programs or monitoring programs, respectively.

Of the potential \$2.25 billion available through Prop. 18, the largest amount of money, \$1.5 billion, would be available for projects protecting and enhancing the sustainability of the Delta ecosystem (Section 79731(b)). The next largest amount is \$750 million for grants to Delta counties and cities in the Delta to provide public benefits and support Delta sustainability options across the Conservancy's statutory mission (Section 79731(a)(1)). Section 79731(a)(3) provides \$250 million for assistance to local governments in the Delta and the local agricultural economy due to loss of productive agricultural lands for habitat and ecosystem restoration within the Delta. Finally, Section 79731(a)(2) provides \$50 million for matching grants to improve wastewater treatment facilities upstream of the Delta to improve Delta water quality.

Attachment 1 to this report is a copy of the chaptered SBX7-2; Attachment 2 is a table summarizing the provisions of Prop. 18 pertaining to the Conservancy.

Initial assumptions

In preparing this document, staff considered potential actions and potential needs for staffing and funding under two scenarios: (1) passage of Prop.18 and (2) removal Prop. 18 from the ballot.

For the most part, the actions considered would be similar under each scenario, the differences between the two scenarios primarily would be in degrees of funding, urgency (i.e., deadlines), priorities, and timing.

The assumed life-span of the water bond funding is 10 years.

If Prop. 18 is Enacted

If Prop. 18 passes, the Delta Conservancy would be required to develop and adopt project solicitation and evaluation guidelines and hold three public meetings prior to publishing the final guidelines (Section 79708). This has to be done before any grants can be distributed. Concurrently, the Conservancy will develop a grants program and a project implementation program to advance, in a complementary manner, the environmental protection of the Delta and the economic well-being of Delta residents (Public Resources Code Section 32360).

The Conservancy also is to develop a strategic plan to assist in setting priorities and criteria for projects and programs based upon program requirements, institutional capabilities, and funding needs throughout the Delta (Public Resources Code Section 32376). Attachment 3 summarizes and lists what the Delta Conservancy is charged or allowed to do under its enabling statute (Public Resources Code Sections 32300 to 32381).

Passage of Prop. 18 would allow the Conservancy Board to hire additional staff to carry out the mandates listed in statute. A consultant likely would be hired to assist the Board and Conservancy staff in developing and writing the strategic plan. Additional staff could be hired in two phases. New staff could be added in the first phase to develop and administer: (1) a grants program, (2) a program performance and tracking program, (3) administration and fiscal accountability systems, and (4) the Conservancy's strategic plan. During the second phase, additional staff could be hired to carry out programs that advance, in a complementary manner, the environmental protection of the Delta and the economic well-being of Delta residents.

If Prop. 18 is Removed from the Ballot

There are advantages and disadvantages for the Conservancy if Prop. 18 is removed from the ballot.

Advantages include time for the Board and staff to:

- Define Delta Conservancy goals and its role for those areas mandated in Public Resource Code 32322(b) (see endnote 1)

Agenda Item: 10**Meeting Date: August 4, 2010**

- Develop and write the Conservancy's strategic plan that will serve as a guide to the Conservancy's priorities for projects, funding needs, funding sources, and partnerships.
- Identify funding opportunities
- Identify and build partnerships
- Build internal Conservancy infrastructure to use and distribute incoming funds
- Conduct inventories of existing ecosystem protection efforts (local, state, and federal), and to conduct analysis to determine how these efforts relate to the mission or role of the Delta Conservancy and to identify where gaps may exist
- Develop an implementation track record by participating and carrying out appropriate projects and partnerships. This could include handling aspects of larger projects developed and led by another agency, such as providing monitoring services or helping to develop performance measures.
- Define the Conservancy's role with other big picture efforts such as the Bay-Delta Conservation Plan, the Delta Plan, and the Delta Economic Sustainability Plan.

Disadvantages for the Conservancy include:

- Delta Conservancy will stay small until or unless a funding source is found that is comparable to the water bond. With limited funding, it will be harder to meet goals and objectives to address the statutory mandates, both in terms of staff and materials to get things accomplished. Initially, the focus will be on setting priorities—that is, what can be done with existing resources—and in securing long-term funding.
- Without water bond funds, there would be little or no money for consultants to complete the strategic plan. This means that staff efforts will be refocused away from program implementation. It is likely that more Conservancy staff time will be spent identifying and securing funding for projects.
- Without water bond funds, it will take longer for the Conservancy to find and secure additional money to assist Delta counties and local governments in developing their habitat conservation plans, natural community conservation plans, or economic sustainability programs. This delay could increase the chances of slower recovery of species and local economies.

Key Questions

Perhaps the key question for the Board is: What does it want the Conservancy to be? The follow-up question is what does the Board not want the Conservancy to be? The answers to these questions serve as the starting point to developing the Conservancy's own sense of mission and vision within the scope of the existing statute.

Once the Conservancy is firmly grounded in its mission and vision, other options and actions can be determined and pursued. For example, the Board and staff could begin working on the strategic plan. Existing statute calls for the strategic plan to be completed no later than two years after an executive officer is hired; the statute is silent as to when the work on the strategic plan is to begin (Public Resources Code Section 32376).

Other questions include:

1. Does the Delta Conservancy want or need to establish a foundation to assist with funding?
2. Does the Delta Conservancy want to be an owner or manager of land in the Delta?

Recommendations

There are as many different approaches to the uncertainty facing the Conservancy as there are people interested in the Delta. Staff makes the following recommendations regardless of whether or not Prop. 18 remains on the November 2, 2010, ballot:

1. Board members should consider meeting individually with the Executive Officer to compile a list of interests. Such a list can help facilitate the Board meetings and conversations in developing the mission, vision, and strategic plan for the Conservancy.
2. The Board should make discussing the mission and vision of the Conservancy a regular item on its meeting agenda.
3. The Board should, in reviewing Public Resources Code Section 32376, determine their priorities for future meetings and reports.

List of Attachments

Attachment 1—Safe, Clean, and Reliable Drinking Water Supply Act of 2010 (SBX7-2)

Attachment 2—Summary of Prop. 18 Provisions Pertaining to the Conservancy

Attachment 3—Statutory Actions of the Delta Conservancy

Contact

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Endnote

ⁱ Public Resources Code Section 32322 (b) states: The conservancy shall support efforts that advance environmental protection and the economic well-being of Delta residents, including all of the following:

- (1) Protect and enhance habitat and habitat restoration.
- (2) Protect and preserve Delta agriculture and working landscapes.
- (3) Provide increased opportunities for tourism and recreation in the Delta.
- (4) Promote Delta legacy communities and economic vitality in the Delta, in coordination with the Delta Protection Commission.
- (5) Increase the resilience of the Delta to the effects of natural disasters such as floods and earthquakes, in coordination with the Delta Protection Commission.
- (6) Protect and improve water quality.
- (7) Assist the Delta regional economy through the operation of the conservancy's program.
- (8) Identify priority projects and initiatives for which funding is needed.
- (9) Protect, conserve, and restore the region's physical, agricultural, cultural, historical, and living resources.
- (10) Assist local entities in the implementation of their habitat conservation plans (HCPs) and natural community conservation plans (NCCPs).
- (11) Facilitate take protection and safe harbor agreements under the federal Endangered Species Act of 1973 (16 U.S.C. Sec. 1531 et seq.), the California Endangered Species Act Chapter 1.5 (commencing with Section 2050) of Division 3 of the Fish and Game Code, and the Natural Community Conservation Planning Act (Chapter 10 (commencing with Section 2800) of Division 3 of the Fish and Game Code) for adjacent landowners and local public agencies.
- (12) Promote environmental education through grant funding.

Attachment 1

Senate Bill No. 2

CHAPTER 3

An act to add Division 26.7 (commencing with Section 79700) to the Water Code, relating to a safe drinking water and water supply reliability program, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor November 9, 2009. Filed with
Secretary of State November 9, 2009.]

LEGISLATIVE COUNSEL'S DIGEST

SB 2, Cogdill. Safe, Clean, and Reliable Drinking Water Supply Act of 2010.

(1) Under existing law, various measures have been approved by the voters to provide funds for water supply and protection facilities and programs.

This bill would enact the Safe, Clean, and Reliable Drinking Water Supply Act of 2010, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$11,140,000,000 pursuant to the State General Obligation Bond Law to finance a safe drinking water and water supply reliability program.

The bill would provide for the submission of the bond act to the voters at the November 2, 2010, statewide general election.

(2) This bill would take effect only if SB 1 of the 2009–10 7th Extraordinary Session is enacted and becomes effective.

(3) This bill would declare that it is to take effect immediately as an urgency statute.

The people of the State of California do enact as follows:

SECTION 1. Division 26.7 (commencing with Section 79700) is added to the Water Code, to read:

DIVISION 26.7. THE SAFE, CLEAN, AND RELIABLE DRINKING WATER SUPPLY ACT OF 2010

CHAPTER 1. SHORT TITLE

79700. This division shall be known, and may be cited, as the Safe, Clean, and Reliable Drinking Water Supply Act of 2010.

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CHAPTER 2. FINDINGS AND DECLARATIONS

79701. The people of California find and declare all of the following:

- (a) Safeguarding supplies of clean, safe drinking water to California's homes, businesses, and farms is an essential responsibility of government, and critical to protecting the quality of life for Californians.
- (b) Every Californian should have access to clean, safe, and reliable drinking water.
- (c) Providing adequate supplies of clean, safe, and reliable drinking water is vital to keeping California's economy growing and strong.
- (d) Encouraging water conservation and recycling are commonsense methods to make more efficient use of existing water supplies.
- (e) Protecting lakes, rivers, and streams from pollution, cleaning up polluted groundwater supplies, and protecting water sources that supply the entire state are crucial to providing a reliable supply of drinking water and protecting the state's natural resources.

CHAPTER 3. DEFINITIONS

79702. Unless the context otherwise requires, the definitions set forth in this section govern the construction of this division, as follows:

- (a) "Bay Delta Conservation Plan" means the final plan prepared pursuant to the planning agreement regarding the Bay Delta Conservation Plan, dated October 6, 2006.
- (b) "Bay-Delta Estuary" means the Delta, Suisun Bay, and Suisun Marsh.
- (c) "CALFED Bay-Delta Program" means the program described in the Record of Decision dated August 28, 2000.
- (d) "Commission" means the California Water Commission.
- (e) "Committee" means the Safe, Clean, and Reliable Drinking Water Supply Finance Committee created by Section 79812.
- (f) "Delta" means the Sacramento-San Joaquin Delta, as defined in Section 12220.
- (g) "Delta conveyance facilities" means facilities that convey water directly from the Sacramento River to the State Water Project or the federal Central Valley Project pumping facilities in the south Delta.
- (h) "Delta counties" means the Counties of Solano, Yolo, Sacramento, Contra Costa, and San Joaquin.
- (i) "Delta Plan" has the meaning set forth in Section 85059.
- (j) "Department" means the Department of Water Resources.
- (k) "Director" means the Director of Water Resources.
- (l) "Disadvantaged community" has the meaning set forth in subdivision (a) of Section 79505.5.
- (m) "Economically distressed area" means a municipality with a population of 20,000 persons or less, a rural county, or a reasonably isolated and divisible segment of a larger municipality where the segment of the population is 20,000 persons or less, with an annual median household

income that is less than 85 percent of the statewide median household income, and with one or more of the following conditions as determined by the department:

- (1) Financial hardship.
- (2) Unemployment rate at least 2 percent higher than the statewide average.
- (3) Low population density.
- (n) “Fund” means the Safe, Clean, and Reliable Drinking Water Supply Fund of 2010 created by Section 79716.
- (o) “Integrated regional water management plan” has the meaning set forth in Section 10534.
- (p) “Nonprofit organization” means an organization qualified to do business in California and qualified under Section 501(c)(3) of Title 26 of the United States Code.
- (q) “Public agency” means a state agency or department, district, joint powers authority, city, county, city and county, or other political subdivision of the state.
- (r) “Secretary” means the Secretary of the Natural Resources Agency.
- (s) “State General Obligation Bond Law” means the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code).

CHAPTER 4. GENERAL PROVISIONS

79705. An amount that equals not more than 5 percent of the funds allocated for a grant program pursuant to this division may be used to pay the administrative costs of that program.

79706. Up to 10 percent of funds allocated for each program funded by this division may be expended for planning and monitoring necessary for the successful design, selection, and implementation of the projects authorized under that program. This section shall not otherwise restrict funds ordinarily used by an agency for “preliminary plans,” “working drawings,” and “construction” as defined in the annual Budget Act for a capital outlay project or grant project. Water quality monitoring shall be integrated into the surface water ambient monitoring program administered by the State Water Resources Control Board.

79707. Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code does not apply to the development or implementation of programs or projects authorized or funded under this division other than Chapter 8 (commencing with Section 79740).

79708. (a) Prior to disbursing grants pursuant to this division, each state agency that is required to administer a competitive grant program under this division shall develop and adopt project solicitation and evaluation guidelines. The guidelines may include a limitation on the dollar amount of grants to be awarded.

(b) Prior to disbursing grants, the state agency shall conduct three public meetings to consider public comments prior to finalizing the guidelines. The state agency shall publish the draft solicitation and evaluation guidelines on its Internet Web site at least 30 days before the public meetings. One meeting shall be conducted at a location in northern California, one meeting shall be conducted at a location in the central valley, and one meeting shall be conducted at a location in southern California. Upon adoption, the state agency shall transmit copies of the guidelines to the fiscal committees and the appropriate policy committees of the Legislature.

79709. It is the intent of the people that the investment of public funds pursuant to this division will result in public benefits.

79710. The State Auditor shall annually conduct a programmatic review and an audit of expenditures from the fund. The State Auditor shall report its findings annually on or before March 1 to the Governor and the Legislature, and shall make the findings available to the public.

79711. Funds provided by this division shall not be expended to support or pay for the costs of environmental mitigation measures or compliance obligations of any party except as part of the environmental mitigation costs of projects financed by this division or for costs for groundwater cleanup pursuant to the requirements of Chapter 10 (commencing with Section 79770). Funds provided by this division may be used for environmental enhancements or other public benefits.

79712. Funds provided by this division shall not be expended to pay the costs of the design, construction, operation, or maintenance of Delta conveyance facilities. Those costs shall be the responsibility of the water agencies that benefit from the design, construction, operation, or maintenance of those facilities.

79713. (a) This division does not diminish, impair, or otherwise affect in any manner whatsoever any area of origin, watershed of origin, county of origin, or any other water rights protections, including, but not limited to, rights to water appropriated prior to December 19, 1914, provided under the law. This division does not limit or otherwise affect the application of Article 1.7 (commencing with Section 1215) of Chapter 1 of Part 2 of Division 2, Sections 10505, 10505.5, 11128, 11460, 11461, 11462, and 11463, and Sections 12200 to 12220, inclusive.

(b) For the purposes of this division, an area that utilizes water that has been diverted and conveyed from the Sacramento River hydrologic region, for use outside the Sacramento River hydrologic region or the Delta, shall not be deemed to be immediately adjacent thereto or capable of being conveniently supplied with water therefrom by virtue or on account of the diversion and conveyance of that water through facilities that may be constructed for that purpose after January 1, 2010.

(c) Nothing in this division supersedes, limits, or otherwise modifies the applicability of Chapter 10 (commencing with Section 1700) of Part 2 of Division 2, including petitions related to any new conveyance constructed or operated in accordance with Chapter 2 (commencing with Section 85320) of Part 4 of Division 35.

(d) Unless otherwise expressly provided, nothing in this division supersedes, reduces, or otherwise affects existing legal protections, both procedural and substantive, relating to the state board’s regulation of diversion and use of water, including, but not limited to, water right priorities, the protection provided to municipal interests by Sections 106 and 106.5, and changes in water rights. Nothing in this division expands or otherwise alters the state board’s existing authority to regulate the diversion and use of water or the courts’ existing concurrent jurisdiction over California water rights.

79714. Eligible applicants under this division are public agencies, nonprofit organizations, public utilities, and mutual water companies. To be eligible for funding under this division, a project proposed by a public utility that is regulated by the Public Utilities Commission or a mutual water company shall have a clear and definite public purpose and shall benefit the customers of the water system.

79715. The Legislature may enact legislation necessary to implement programs funded by this division, except as otherwise provided in Section 79749.5.

79716. The proceeds of bonds issued and sold pursuant to this division shall be deposited in the Safe, Clean, and Reliable Drinking Water Supply Fund of 2010, which is hereby created in the State Treasury.

CHAPTER 5. DROUGHT RELIEF

79720. The sum of four hundred fifty-five million dollars (\$455,000,000) shall be available, upon appropriation by the Legislature from the fund, for the purposes of this chapter.

79720.1. (a) From the funds described in Section 79720, one hundred ninety million dollars (\$190,000,000) shall be available, upon appropriation by the Legislature from the fund, for the planning, design, and construction of local and regional drought relief projects that reduce the impacts of drought conditions, including, but not limited to, the impacts of reductions in Delta diversions. Eligible projects include all of the following:

- (1) Water conservation and efficiency projects, including installation of the most water efficient fixtures commercially available.
- (2) Water recycling and related infrastructure.
- (3) Groundwater cleanup.
- (4) Local and regional conveyance projects that improve water supplies and public benefits associated with conveyance facilities.
- (5) Other local and regional water supply reliability projects.

(6) Local and regional surface water storage projects that provide emergency water supplies and water supply reliability in drought conditions.

(b) Projects funded pursuant to this section shall meet both of the following requirements:

- (1) The project will provide a sustainable water supply that does not contribute to groundwater overdraft or increase surface water diversions.

(2) The project is capable of being operational within two years of receiving the grant.

(c) Preference shall be given to applicants that can demonstrate substantial past and current investments in conservation and local water projects.

(d) Not more than 10 percent of the funds provided pursuant to this section shall be available for planning, investigations, studies, and monitoring.

(e) The department shall require a cost share of not less than 50 percent of total project costs from nonstate sources. The department may waive or reduce the cost-sharing requirement for projects that directly benefit disadvantaged communities or economically distressed areas.

(f) From the funds described in this section, the sum of one hundred million dollars (\$100,000,000) shall be made available for local and regional water projects, including surface storage projects, that provide emergency water supplies and water supply reliability in drought conditions in San Diego County.

79720.2. From the funds described in Section 79720, the sum of ninety million dollars (\$90,000,000) shall be available, upon appropriation by the Legislature from the fund, for grants to disadvantaged communities and economically distressed areas experiencing economic impacts from drought for drought relief projects and programs.

79720.3. From the funds described in Section 79720, the sum of seventy-five million dollars (\$75,000,000) shall be available, upon appropriation by the Legislature from the fund, to the State Water Resources Control Board for grants for small community wastewater treatment projects, to protect water quality, that meet all of the following criteria:

(a) The project is for the planning, design, permitting, construction, or improvement of a wastewater treatment facility, sewer system, or related infrastructure necessary to meet water quality standards or prevent contamination of surface water or groundwater resources.

(b) The project will serve a community with a population of 20,000 or less.

(c) The project meets other standards that may be established by the State Water Resources Control Board with respect to the design, construction, financing, and operation of the project.

79720.4. (a) From the funds described in Section 79720, eighty million dollars (\$80,000,000) shall be available for deposit into the Safe Drinking Water State Revolving Fund created pursuant to Section 116760.30 of the Health and Safety Code.

(b) From the funds described in this section, up to eight million dollars (\$8,000,000) shall be made available for grants for projects within the City of Maywood that design and implement water supply infrastructure upgrades that provide for safe drinking water.

79720.6. From the funds described in Section 79720, the sum of twenty million dollars (\$20,000,000) shall be available for water quality and public health projects on the New River.

CHAPTER 6. WATER SUPPLY RELIABILITY

79721. The sum of one billion fifty million dollars (\$1,050,000,000) shall be available, upon appropriation by the Legislature, from the fund to the department for competitive grants and expenditures in accordance with Section 79722.

79722. (a) Except as provided in subdivision (f), the department shall award grants to eligible projects that implement an adopted integrated regional water management plan.

(b) An urban water supplier that does not prepare, adopt, and submit its urban water management plan in accordance with the Urban Water Management Planning Act (Part 2.6 (commencing with Section 10610) of Division 6) is ineligible to receive funds made available pursuant to Section 79721 until the urban water management plan is prepared and submitted in accordance with the requirements of that act.

(c) For the purposes of awarding a grant under this chapter, the department shall require a local cost share of not less than 50 percent of the total costs of the project. The department may waive or reduce the cost-sharing requirement for projects that directly benefit a disadvantaged community or an economically distressed area.

(d) Eligible projects are those included in adopted integrated regional water management plans consistent with Part 2.2 (commencing with Section 10530) of Division 6, including, but not limited to, local and regional surface water storage projects.

(e) The funding provided in Section 79721 shall be allocated to each hydrologic region as identified in the California Water Plan in accordance with this subdivision. For the South Coast hydrologic region, the department shall establish three funding areas that reflect the watersheds of San Diego County (designated as the San Diego subregion), the Santa Ana River watershed and southern Orange County (designated as the Santa Ana subregion), and the Los Angeles and Ventura County watersheds (designated as the Los Angeles subregion), and shall allocate funds to those areas in accordance with this subdivision. The North and South Lahontan hydrologic regions shall be treated as one area for the purpose of allocating funds. For purposes of this subdivision, the Sacramento River hydrologic region does not include the Delta. For purposes of this subdivision, the Mountain Counties Overlay is not eligible for funds from the Sacramento River hydrologic region or the San Joaquin River hydrologic region. The department may recognize multiple integrated regional water management plans in each of the areas allocated funding. Funds made available by this chapter shall be allocated as follows:

- (1) North Coast: \$45,000,000.
- (2) San Francisco Bay: \$132,000,000.
- (3) Central Coast: \$58,000,000.
- (4) Los Angeles subregion: \$198,000,000.
- (5) Santa Ana subregion: \$128,000,000.
- (6) San Diego subregion: \$87,000,000.

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- (7) Sacramento River: \$76,000,000.
- (8) San Joaquin River: \$64,000,000.
- (9) Tulare/Kern: \$70,000,000.
- (10) North/South Lahontan: \$51,000,000.
- (11) Colorado River Basin: \$47,000,000.
- (12) Mountain Counties Overlay: \$44,000,000.
- (13) Interregional: \$50,000,000.

(f) Interregional funds may be expended directly or granted by the department to address multiregional needs or state priorities, including, but not limited to, any of the following:

- (1) Investing in new water technology development and deployment.
- (2) Meeting state water recycling and water conservation goals.
- (3) Adapting to climate change impacts.
- (4) Reducing contributions to climate change.
- (5) Other projects to improve statewide water management systems.
- (6) Other projects and activities designed to meet the needs of disadvantaged communities or economically distressed areas including technical and grant writing assistance.

(g) Ten million dollars of the interregional funds shall be available for a grant to the University of California, Sierra Nevada Research Institute of the University of California, for the development and deployment of measurement infrastructure and related information technology to identify and analyze water supply impacts of climate change on the Sierra Nevada snow pack and runoff.

79722.5. Of the funds provided in Section 79721, not less than 10 percent shall be allocated to disadvantaged communities.

79723. (a) The sum of three hundred fifty million dollars (\$350,000,000) shall be available, upon appropriation by the Legislature, from the fund to the department for grants and expenditures for the planning, design, and construction of local and regional conveyance projects that support regional and interregional connectivity and water management. Projects shall be consistent with an adopted integrated regional water management plan and shall provide one or more of the following benefits:

- (1) Improvements in regional or interregional water supply and water supply reliability.
- (2) Mitigation of conditions of groundwater overdraft, saline water intrusion, water quality degradation, or subsidence.
- (3) Adaptation to the impacts of hydrologic changes.
- (4) Improved water security from drought, natural disasters, or other events that could interrupt imported water supplies.
- (5) Providing safe drinking water for disadvantaged communities and economically distressed areas.

(b) Not more than 10 percent of the funds provided by this section shall be available for planning, investigations, studies, and monitoring.

(c) The department shall require a cost share of not less than 50 percent of total project costs from nonstate sources. The department may waive or

reduce the cost share requirement for projects that directly benefit disadvantaged communities or economically distressed areas.

CHAPTER 7. DELTA SUSTAINABILITY

79730. (a) The Bay-Delta Estuary is a unique and irreplaceable combination of environmental and economic resources. Current management and use of the Delta is not sustainable, and results in a high level of conflict among various interests. Future Delta sustainability is threatened by changing hydrology due to climate change, water diversions, flood risk, seismic events, nonnative species, toxics, and other environmental problems. Future management of the Delta must improve Delta ecosystem health and improve the means of Delta water conveyance in order to protect drinking water quality, improve water supply reliability, restore ecosystem health, and preserve agricultural and recreational values in the Delta, while providing to counties and watersheds of origin assurances that their priority to water resources will be protected and that programs or facilities implemented or constructed in the Delta will not result in redirection of unmitigated, significant adverse impacts to the counties and watershed of origin. Many sources of funding will be needed to implement improved Delta management.

(b) This chapter provides state funding for public benefits associated with projects needed to assist in the Delta's sustainability as a vital resource for fish, wildlife, water quality, water supply, agriculture, and recreation.

79731. The sum of two billion two hundred fifty million dollars (\$2,250,000,000) shall be available, upon appropriation from the fund, for grants and direct expenditures, as follows:

(a) (1) Seven hundred fifty million dollars (\$750,000,000) for projects, including grants to Delta counties and cities within the Delta, that provide public benefits and support Delta sustainability options, including projects and supporting scientific studies and assessments that do any of the following:

(A) Ensure that urban and agricultural water supplies derived from the Delta, including water supplies used within the Delta, are not disrupted because of catastrophic failures of Delta levees resulting from earthquakes, floods, land sinking, rising ocean levels, or other forces.

(B) Assist in preserving economically viable and sustainable agriculture and other economic activities in the Delta.

(C) Improve the quality of drinking water derived from the Delta.

(D) Improve levee and flood control facilities and other vital infrastructure necessary to protect Delta communities affected by the implementation of this chapter.

(E) Provide physical improvements or other actions to create waterflow and water quality conditions within the Delta to provide adequate habitat for native fish and wildlife.

(F) Facilitate other projects that provide public benefits and support Delta sustainability options approved by the Legislature, including costs associated

with planning, monitoring, and design of alternatives, and project modifications and adaptations necessary to achieve the goals of this chapter.

(G) Mitigate other impacts of water conveyance and ecosystem restoration.

(H) Provide or improve water quality facilities and other infrastructure.

(2) Of the funds provided in this subdivision, not less than fifty million dollars (\$50,000,000) shall be available for matching grants for improvements to wastewater treatment facilities upstream of the Delta to improve Delta water quality.

(3) Of the funds provided in this subdivision, up to two hundred fifty million dollars (\$250,000,000) may be expended in the Delta to provide assistance to local governments and the local agricultural economy due to loss of productive agricultural lands for habitat and ecosystem restoration within the Delta.

(b) One billion five hundred million dollars (\$1,500,000,000) for projects to protect and enhance the sustainability of the Delta ecosystem, including any of the following:

(1) Projects for the development and implementation of the Bay Delta Conservation Plan, consistent with Chapter 10 (commencing with Section 2800) of Division 3 of the Fish and Game Code. The projects shall be implemented through a cooperative effort among regulatory agencies, regulated and potentially regulated entities, and affected parties, including state and federal water contractors. These funds may be expended for the preparation of environmental documentation and environmental compliance.

(2) Other projects to protect and restore native fish and wildlife dependent on the Delta ecosystem, including the acquisition of water rights and the removal or reduction of undesirable invasive species.

(3) Projects to reduce greenhouse gas emissions from exposed Delta soils.

(4) Projects that reduce impacts of mercury contamination of the Delta and its watersheds, and remediation and elimination of continuing sources of mercury contamination.

(5) Scientific studies and assessments that support the projects authorized under this section.

(c) Funds provided by this chapter shall be available for appropriation to, among other entities, the Sacramento-San Joaquin Delta Conservancy for implementation consistent with the Delta Plan.

79732. (a) A project that receives funding pursuant to subdivision (a) of Section 79731 shall only be eligible for funding pursuant to other provisions of this division to the extent that the combined state funding pursuant to this division does not exceed 50 percent of the total project costs.

(b) The department shall determine what constitutes a project for the purposes of subdivision (a).

CHAPTER 8. STATEWIDE WATER SYSTEM OPERATIONAL IMPROVEMENT

79740. (a) Notwithstanding Section 162, the commission may make the determinations, findings, and recommendations required of it by this chapter independent of the views of the director. All final actions by the commission in implementing this chapter shall be taken by a majority of the members of the commission at a public meeting noticed and held pursuant to the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code).

(b) Notwithstanding Section 13340 of the Government Code, the sum of three billion dollars (\$3,000,000,000) is hereby continuously appropriated from the fund, without regard to fiscal years, to the commission for public benefits associated with water storage projects that improve the operation of the state water system, are cost effective, and provide a net improvement in ecosystem and water quality conditions, in accordance with this chapter. Funds authorized for, or made available to, the commission pursuant to this chapter shall be available and expended only for the purposes provided in this chapter, and shall not be subject to appropriation or transfer by the Legislature or the Governor for any other purpose.

(c) Projects shall be selected by the commission through a competitive public process that ranks potential projects based on the expected return for public investment as measured by the magnitude of the public benefits provided, pursuant to criteria established under this chapter.

(d) Any project constructed with funds provided by this chapter shall be subject to Section 11590.

79741. Projects for which the public benefits are eligible for funding under this chapter consist of only the following:

(a) Surface storage projects identified in the CALFED Bay-Delta Program Record of Decision, dated August 28, 2000, except for projects prohibited by Chapter 1.4 (commencing with Section 5093.50) of Division 5 of the Public Resources Code.

(b) Groundwater storage projects and groundwater contamination prevention or remediation projects that provide water storage benefits.

(c) Conjunctive use and reservoir reoperation projects.

(d) Local and regional surface storage projects that improve the operation of water systems in the state and provide public benefits.

79742. A project shall not be funded pursuant to this chapter unless it provides measurable improvements to the Delta ecosystem or to the tributaries to the Delta.

79743. (a) Funds allocated pursuant to this chapter may be expended solely for the following public benefits associated with water storage projects:

(1) Ecosystem improvements, including changing the timing of water diversions, improvement in flow conditions, temperature, or other benefits that contribute to restoration of aquatic ecosystems and native fish and wildlife, including those ecosystems and fish and wildlife in the Delta.

(2) Water quality improvements in the Delta, or in other river systems, that provide significant public trust resources, or that clean up and restore groundwater resources.

(3) Flood control benefits, including, but not limited to, increases in flood reservation space in existing reservoirs by exchange for existing or increased water storage capacity in response to the effects of changing hydrology and decreasing snow pack on California's water and flood management system.

(4) Emergency response, including, but not limited to, securing emergency water supplies and flows for dilution and salinity repulsion following a natural disaster or act of terrorism.

(5) Recreational purposes, including, but not limited to, those recreational pursuits generally associated with the outdoors.

(b) Funds shall not be expended pursuant to this chapter for the costs of environmental mitigation measures or compliance obligations except for those associated with providing the public benefits as described in Section 79743.

79744. In consultation with the Department of Fish and Game, the State Water Resources Control Board, and the department, the commission shall develop and adopt, by regulation, methods for quantification and management of public benefits described in Section 79743 by December 15, 2012. The regulations shall include the priorities and relative environmental value of ecosystem benefits as provided by the Department of Fish and Game and the priorities and relative environmental value of water quality benefits as provided by the State Water Resources Control Board.

79745. (a) Except as provided in subdivision (c), no funds allocated pursuant to this chapter may be allocated for a project before December 15, 2012, and until the commission approves the project based on the commission's determination that all of the following have occurred:

(1) The commission has adopted the regulations specified in Section 79744 and specifically quantified and made public the cost of the public benefits associated with the project.

(2) The department has entered into a contract with each party that will derive benefits, other than public benefits, as defined in Section 79743, from the project that ensures the party will pay its share of the total costs of the project. The benefits available to a party shall be consistent with that party's share of total project costs.

(3) The department has entered into a contract with each public agency identified in Section 79744 that administers the public benefits, after that agency makes a finding that the public benefits of the project for which that agency is responsible meet all the requirements of this chapter, to ensure that the public contribution of funds pursuant to this chapter achieves the public benefits identified for the project.

(4) The commission has held a public hearing for the purposes of providing an opportunity for the public to review and comment on the information required to be prepared pursuant to this subdivision.

(5) All of the following additional conditions are met:

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(A) Feasibility studies have been completed.

(B) The commission has found and determined that the project is feasible, is consistent with all applicable laws and regulations, and will advance the long-term objectives of restoring ecological health and improving water management for beneficial uses of the Delta.

(C) All environmental documentation associated with the project has been completed, and all other federal, state, and local approvals, certifications, and agreements required to be completed have been obtained.

(b) The commission shall submit to the Legislature its findings for each of the criteria identified in subdivision (a) for a project funded pursuant to this chapter.

(c) Notwithstanding subdivision (a), funds may be made available under this chapter for the completion of environmental documentation and permitting of a project.

79746. (a) The public benefit cost share of a project funded pursuant to this chapter, other than a project described in subdivision (c) of Section 79741, may not exceed 50 percent of the total costs of any project funded under this chapter.

(b) No project may be funded unless it provides ecosystem improvements as described in paragraph (1) of subdivision (a) of Section 79743 that are at least 50 percent of total public benefits of the project funded under this chapter.

79747. (a) A project is not eligible for funding under this chapter unless, by January 1, 2018, all of the following conditions are met:

(1) All feasibility studies are complete and draft environmental documentation is available for public review.

(2) The commission makes a finding that the project is feasible, and will advance the long-term objectives of restoring ecological health and improving water management for beneficial uses of the Delta.

(3) The director receives commitments for not less than 75 percent of the nonpublic benefit cost share of the project.

(b) If compliance with subdivision (a) is delayed by litigation or failure to promulgate regulations, the date in subdivision (a) shall be extended by the commission for a time period that is equal to the time period of the delay, and funding under this chapter that has been dedicated to the project shall be encumbered until the time at which the litigation is completed or the regulations have been promulgated.

79748. Surface storage projects funded pursuant to this chapter and described in subdivision (a) of Section 79741 may be made a unit of the Central Valley Project as provided in Section 11290 and may be financed, acquired, constructed, operated, and maintained pursuant to Part 3 (commencing with Section 11100) of Division 6.

79749. (a) The funds allocated for the design, acquisition, and construction of surface storage projects identified in the CALFED Bay-Delta Record of Decision, dated August 28, 2000, pursuant to this chapter may be provided for those purposes to local joint powers authorities formed by irrigation districts and other local water districts and local governments

within the applicable hydrologic region to design, acquire, and construct those projects.

(b) The joint powers authorities described in subdivision (a) may include in their membership governmental and nongovernmental partners that are not located within their respective hydrologic regions in financing the surface storage projects, including, as appropriate, cost share participation or equity participation. The department shall be an ex-officio member of each joint powers authority subject to this section, but the department shall not control the governance, management, or operation of the surface water storage projects.

(c) A joint powers authority subject to this section shall own, govern, manage, and operate a surface water storage project, subject to the requirement that the ownership, governance, management, and operation of the surface water storage project shall advance the purposes set forth in this chapter.

79749.5. (a) In approving the Safe, Clean, and Reliable Drinking Water Supply Act of 2010, the people were informed and hereby declare that the provisions of this chapter are necessary, integral, and essential to meeting the single object or work of the Safe, Clean, and Reliable Drinking Water Supply Act of 2010. As such, any amendment of the provisions of this chapter by the Legislature without voter approval would frustrate the scheme and design that induced voter approval of this act. The people therefore find and declare that any amendment of the provisions of this chapter by the Legislature shall require a vote of two-thirds of the membership in each house of the Legislature and voter approval.

(b) This section shall not govern or be used as authority for determining whether the amendment of any other provision of this act not contained in this chapter would constitute a substantial change in the scheme and design of this act requiring voter approval.

CHAPTER 9. CONSERVATION AND WATERSHED PROTECTION

79750. The sum of one billion seven hundred eighty-five million dollars (\$1,785,000,000) shall be available, upon appropriation by the Legislature from the fund, in accordance with this chapter, for expenditures and grants for ecosystem and watershed protection and restoration projects, including, but not limited to, all of the following watersheds:

- (a) The San Joaquin River watershed.
- (b) The Kern River and Tulare Basin watersheds.
- (c) The Salton Sea and Colorado River watersheds.
- (d) The Los Angeles River watershed.
- (e) The San Gabriel River watershed.
- (f) The Santa Ana River watershed.
- (g) The Klamath River watershed, including the Trinity, Scott, and Shasta Rivers and watersheds.
- (h) The North Coast watersheds.

- (i) The San Francisco Bay watersheds.
- (j) The Central Coast watersheds.
- (k) The South Coast watersheds.
- (l) The Lake Tahoe Basin watershed.
- (m) The Sacramento River watershed, including the Yolo Bypass.
- (n) The San Diego County coastal watersheds.
- (o) The Ventura River watershed.
- (p) The Sierra Nevada Mountain watersheds.
- (q) The Mojave River watershed.
- (r) The Owens River watershed.
- (s) The Santa Monica Bay watershed.
- (t) The watersheds of Marin County.
- (u) The watersheds of Orange County.

79751. Funds provided under this chapter may be appropriated to the Natural Resources Agency, the Department of Fish and Game, the Wildlife Conservation Board, the California Conservation Corps, the Department of Conservation, the Department of Parks and Recreation, the Department of Forestry and Fire Protection, or to state conservancies for expenditures and grants consistent with this chapter and other applicable laws.

79752. (a) Funds provided for the Sacramento River and San Joaquin River watersheds under Section 79750 shall be available for projects consistent with the ecosystem restoration program element of the California Bay-Delta Program, or its successor, or the San Joaquin River Parkway Master Plan.

(b) Funds provided for Salton Sea watershed projects under Section 79750 shall be appropriated to the Natural Resources Agency and shall be available for Salton Sea restoration activities identified for “Period I” in the Natural Resources Agency report entitled “Salton Sea Ecosystem Restoration Program Preferred Alternative Report and Funding Plan,” dated May 2007.

(c) Funds provided for the Lake Tahoe Basin watershed under Section 79750 shall be available for projects consistent with the Lake Tahoe Environmental Improvement Program.

(d) Funds provided for the Los Angeles River and San Gabriel River watersheds under Section 79750 shall be available pursuant to Section 79508, and for projects identified in the Los Angeles River Revitalization Master Plan.

79754. For restoration and ecosystem protection projects under this chapter, the services of the California Conservation Corps or community conservation corps shall be used whenever feasible.

79755. (a) Of the funds provided in Section 79750, not less than two hundred fifty million dollars (\$250,000,000) shall be available to the State Coastal Conservancy for projects within coastal counties and coastal watersheds. Of this amount, not less than forty million dollars (\$40,000,000) shall be available for grants in San Diego County, including not less than twenty million dollars (\$20,000,000) in grants to the San Diego River Conservancy, not less than forty million dollars (\$40,000,000) shall be available for the Santa Ana River Parkway, and not less than twenty million

dollars (\$20,000,000) shall be available for grants for protection and restoration of the Bolsa Chica wetlands and adjacent uplands and for associated visitor and interpretive natural history or archeological facilities.

(b) Of the funds provided in Section 79750, not less than one hundred million dollars (\$100,000,000) shall be available to the Wildlife Conservation Board for direct expenditures or grants for the acquisition of water rights from willing sellers and the conveyance of water for the benefit of migratory birds on wildlife refuges and wildlife habitat areas subject to Section 3406(d) of the federal Central Valley Project Improvement Act (Public Law 102-575), if the acquisition of water rights by the Wildlife Conservation Board is consistent with that federal act. All costs associated with the acquisition of water rights by the Wildlife Conservation Board for the purposes set forth under this section shall be paid out of the funds designated for the Wildlife Conservation Board.

(c) Of the funds provided in Section 79750, not less than two hundred fifteen million dollars (\$215,000,000) shall be available to the Wildlife Conservation Board for direct expenditures or grants for the protection or restoration of watershed lands or rivers and streams that support species listed as threatened or endangered under state or federal law, consistent with the requirements of programs identified in Division 2 (commencing with Section 700) of the Fish and Game Code, and requirements to implement or develop a natural community conservation plan pursuant to Chapter 10 (commencing with Section 2800) of Division 3 of the Fish and Game Code. Of the funds provided in this section, the sum of twenty-five million dollars (\$25,000,000) shall be available to the San Joaquin River Conservancy for river parkway projects. Of the funds provided in this subdivision, not less than twenty million dollars (\$20,000,000) shall be available for watershed protection projects that reduce the fragmentation of habitats by promoting the linkage of existing public lands in Ventura County. In order to ensure programmatic consistency with ongoing state conservancy programs, any project financed pursuant to this paragraph within the jurisdiction of any conservancy, shall be upon application of, and by grant to, that respective conservancy. The conservancy may apply on behalf of a local agency, and in that case, the board may make the grant award directly to that local agency.

(d) Of the funds provided in Section 79750, seventy-five million dollars (\$75,000,000) shall be available to the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy for the purposes described in subdivision (d) of Section 79752.

(e) Of the funds provided in Section 79750, seventy-five million dollars (\$75,000,000) shall be available to the Santa Monica Mountains Conservancy for implementation of watershed protection activities throughout the watershed of the upper Los Angeles River.

(f) Of the funds provided in Section 79750, twenty million dollars (\$20,000,000) shall be available to the Baldwin Hills Conservancy.

(g) Of the funds provided in Section 79750, twenty-five million dollars (\$25,000,000) shall be available for Santa Monica Bay watershed projects

pursuant to Division 23 (commencing with Section 33000) of the Public Resources Code.

(h) Of the funds provided in Section 79750, fifty million dollars (\$50,000,000) shall be available to the State Coastal Conservancy for coastal salmonid restoration projects.

(i) Of the funds provided in Section 79750, one hundred million dollars (\$100,000,000) shall be available to the Lake Tahoe Conservancy for the Lake Tahoe Environmental Improvement Program as described in subdivision (c) of Section 79752.

(j) Of the funds provided in Section 79750, twenty million dollars (\$20,000,000) shall be available to the Department of Conservation for the California Farmland Conservancy Program Act (Division 10.2 (commencing with Section 10200) of the Public Resources Code). Up to five million dollars (\$5,000,000) may be used for the Department of Conservation Watershed Coordinator Grant Program.

(k) Of the funds provided in Section 79750, fifty million dollars (\$50,000,000) shall be available to the secretary for projects in accordance with the California River Parkways Act of 2004 (Chapter 3.8 (commencing with Section 5750) of Division 5 of the Public Resources Code). Up to twenty million dollars (\$20,000,000) may be transferred to the department for the Urban Streams Restoration Program pursuant to Section 7048 of the Water Code.

(l) Of the funds provided in Section 79750, not less than seventy-five million dollars (\$75,000,000) shall be available to the Sierra Nevada Conservancy for grants, loans, direct expenditures, and other purposes and projects consistent with the mission and laws governing the conservancy, including, but not limited to, physical projects, projects for the provision of public access, educational and interpretive activities, projects to improve community sustainability and institutional infrastructure, planning, including collaborative public processes, monitoring, and research activities.

(m) Of the funds provided in Section 79750, one hundred million dollars (\$100,000,000) shall be available for Salton Sea restoration pursuant to subdivision (b) of Section 79752.

(n) Of the funds provided in Section 79750, ten million dollars (\$10,000,000) shall be available to the Natural Resources Agency for planning for natural resources and watershed protections to address climate change impacts and adaptation.

(o) Of the funds provided in Section 79750, thirty million dollars (\$30,000,000) shall be available to the Department of Parks and Recreation for grants for watershed education facilities. Of this amount, twenty million dollars (\$20,000,000) shall be available for capital improvements to watershed education centers that serve an urban area with a population of over one million.

(p) Of the funds provided in Section 79750, ten million dollars (\$10,000,000) shall be deposited in the California Waterfowl Habitat Preservation Account for the purposes of implementing the California Waterfowl Habitat Program described in Article 7 (commencing with Section

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3460) of Chapter 2 of Part 1 of Division 4 of the Fish and Game Code, the California Landowner Incentive Program, and the Permanent Wetland Easement Program.

79756. (a) One hundred million dollars (\$100,000,000) of the funds provided pursuant to Section 79750 shall be allocated to the Department of Forestry and Fire Protection for direct expenditures or grants for fuel treatment and forest restoration projects to protect watersheds tributary to dams or reservoirs from the adverse impacts of fire and erosion, to promote forest health in those watersheds, to protect life and property, to provide for climate change adaptation, and reduce total wildfire costs and losses. Funds shall be available in accordance with the following requirements:

(1) Sixty-seven million dollars (\$67,000,000) shall be available to the Department of Forestry and Fire Protection to provide technical assistance for project development and implementation and to fund grants to public agencies and nonprofit organizations for the purpose of fuel treatment projects that will reduce wildfire risks, protect watersheds tributary to water storage facilities, and promote watershed health.

(2) Twenty-five million dollars (\$25,000,000) shall be available to the Department of Forestry and Fire Protection to provide technical assistance for project development and implementation, and for grants and loans for fuel treatment and reforestation projects to eligible landowners as defined in subdivision (b) of Section 4793 of the Public Resources Code and consistent with the provisions of the California Forest Improvement Act of 1978.

(3) The sum of eight million dollars (\$8,000,000) shall be available to do all of the following:

(A) Reimburse incremental costs to the Department of Forestry and Fire Protection resulting from implementation of fuel reduction projects consistent with the provisions of the Vegetation Management Program established under Article 2 (commencing with Section 4475) of Chapter 7 of Part 2 of Division 4 of the Public Resources Code. These projects shall include three or more pilot projects to utilize the fuels removed for energy production or other wood product uses.

(B) Reimburse costs of conservation camp crews used to conduct fuel reduction activities, and costs to the Department of Forestry and Fire Protection for conducting prefire management projects consistent with the 1996 California Fire Plan or its successor plan.

(b) Funding criteria and projects shall demonstrate the linkage between the project and the protection of watershed health, protection of watershed storage capacity, maintenance or enhancement of forest health, protection of life and property, and greenhouse gas reduction.

79757. Of the funds provided in Section 79750, not more than two hundred fifty million dollars (\$250,000,000) shall be available for dam removal and related measures in the Klamath River watershed if the secretary finds that all of the following conditions have been met:

(a) The State of California, the State of Oregon, the United States, and PacifiCorp have executed a dam removal agreement.

(b) The State of California, the State of Oregon, and the United States have made the determinations required under the agreement to effect dam removal.

(c) Ratepayer funds required by the agreement have been authorized and will be timely provided.

(d) All other conditions required in the agreement have been met.

79758. Of the funds provided in Section 79750, not less than twenty million dollars (\$20,000,000) shall be allocated to Siskiyou County for the purpose of economic development as defined in Section 13997.2 of the Government Code.

79759. Of the funds provided in Section 79750, the sum of fifty million dollars (\$50,000,000) shall be available, upon appropriation by the Legislature from the fund, to the California State University for the purposes of funding agricultural water supply, water use, efficiency, water quality, and related research and education efforts in accordance with the California State University Water Resources and Policy Initiatives.

79759.5. Of the funds provided in Section 79750, the sum of fifty million dollars (\$50,000,000) shall be available to the State Coastal Conservancy for projects that meet the requirements of the California Ocean Protection Act (Division 26.5 (commencing with Section 35500) of the Public Resources Code).

79760. Of the funds provided in Section 79750, sixty million dollars (\$60,000,000) shall be available to the Natural Resources Agency for projects authorized under Section 3406 (b) (10) of the Central Valley Project Improvement Act that improve salmonid fish passage in the Sacramento River watershed.

79760.5. Of the funds provided in Section 79750, fifty million dollars (\$50,000,000) shall be available, upon appropriation by the Legislature from the fund, to the Wildlife Conservation Board to capitalize an advanced public infrastructure revolving fund mitigation program, to be established by statute, designed to improve the environmental effectiveness and efficiency of infrastructure mitigation. These funds shall not be used to subsidize or decrease the mitigation obligations of any party.

79761. For the purposes of this chapter, the terms “restoration” and “protection” have the meanings set forth in Section 75005 of the Public Resources Code.

CHAPTER 10. GROUNDWATER PROTECTION AND WATER QUALITY

79770. (a) The sum of one billion dollars (\$1,000,000,000) shall be available, upon appropriation by the Legislature from the fund, for expenditures, grants, and loans for projects to prevent or reduce the contamination of groundwater that serves as a source of drinking water. Projects shall be consistent with an adopted integrated regional water management plan. Funds appropriated pursuant to this section shall be available to the State Department of Public Health for projects necessary

to protect public health by preventing or reducing the contamination of groundwater that serves as a major source of drinking water for a community.

(b) Projects shall be prioritized based upon the following criteria:

(1) The threat posed by groundwater contamination to the affected community's overall drinking water supplies, including the need for treatment of alternative supplies if groundwater is not available due to contamination.

(2) The potential for groundwater contamination to spread and reduce drinking water supply and water storage for nearby population areas.

(3) The potential of the project, if fully implemented, to enhance local water supply reliability.

(4) The potential of the project to increase opportunities for groundwater recharge and optimization of groundwater supplies.

(c) The State Department of Public Health shall give additional consideration to projects that meet any of the following criteria:

(1) The project is implemented pursuant to a comprehensive basinwide groundwater quality management and remediation plan or is necessary to develop a comprehensive groundwater plan.

(2) Affected groundwater provides a local supply that, if contaminated and not remediated, will require import of additional water from outside the region.

(3) The project will serve an economically disadvantaged community or an economically distressed area.

(4) The project addresses contamination at a site where the responsible parties have not been identified, or where the responsible parties are unwilling or unable to pay for cleanup.

(d) Of the amount made available by this section, not less than one hundred million dollars (\$100,000,000) shall be available for projects that meet the requirements of this section and both of the following criteria:

(1) The project is part of a basinwide management and remediation plan for which federal funds have been allocated.

(2) The project addresses contamination at a site on the list maintained by the Department of Toxic Substances Control pursuant to Section 25356 of the Health and Safety Code or a site listed on the National Priorities List pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. Sec. 9601 et seq.).

(e) Of the amount made available by this section, one hundred million dollars (\$100,000,000) shall be available to the State Department of Public Health for grants and direct expenditures to finance emergency and urgent actions in accordance with this section on behalf of disadvantaged communities and economically distressed areas to ensure that safe drinking water supplies are available to all Californians.

(f) The Legislature, by statute, shall establish both of the following:

(1) Requirements for repayment of grant funds in the event of cost recovery from parties responsible for the groundwater contamination.

(2) Requirements for recipients of grants to make reasonable efforts to recover costs from parties responsible for groundwater contamination.

CHAPTER 11. WATER RECYCLING PROGRAM

79780. The sum of one billion dollars (\$1,000,000,000) shall be available, upon appropriation by the Legislature from the fund, for grants and loans for water recycling and advanced treatment technology projects, including all of the following:

- (a) Water recycling projects.
- (b) Contaminant and salt removal projects, including groundwater and seawater desalination.
- (c) Dedicated distribution infrastructure for recycled water, including commercial and industrial end-user retrofit projects to allow use of recycled water.
- (d) Pilot projects for new salt and contaminant removal technology.
- (e) Groundwater recharge infrastructure related to recycled water.
- (f) Technical assistance and grant writing assistance for disadvantaged communities.

79781. Of the funds made available in Section 79780, not less than fifty million dollars (\$50,000,000) shall be available for projects that are designed to help restore lost water supply reliability in areas with widespread groundwater contamination in locations that contain sites that are listed by the Department of Toxic Substances Control pursuant to Section 25356 of the Health and Safety Code or a site listed on the National Priorities List pursuant to the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. Section 9601 et seq.) and for which federal funds have been allocated pursuant to Public Law 106-554.

79782. For projects funded pursuant to the funds made available pursuant to Section 79780, at least a 50-percent local cost share shall be required. That cost share may be suspended or reduced for disadvantaged communities and economically distressed areas.

79783. Projects funded pursuant to the funds made available pursuant to Section 79780 shall be selected on a competitive basis, considering all of the following criteria:

- (a) Water supply reliability improvement.
- (b) Water quality and ecosystem benefits related to decreased reliance on diversions from the Delta or instream flows.
- (c) Public health benefits from improved drinking water quality.
- (d) Cost effectiveness.
- (e) Energy efficiency and greenhouse gas emission impacts.

79784. (a) (1) The sum of two hundred fifty million dollars (\$250,000,000) shall be available, upon appropriation by the Legislature from the fund, for direct expenditures, grants, and loans for water conservation and water use efficiency plans, projects, and programs, including any of the following:

(A) Urban water conservation plans, projects, and programs, including regional projects and programs, implemented to achieve urban water use targets pursuant to Chapter 3 (commencing with Section 10608.16) of Part

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2.55 of Division 6. Priority for funding shall be given to programs that do the following:

(i) Assist water suppliers and regions to implement conservation programs and measures that are not locally cost-effective.

(ii) Support water supplier and regional efforts to implement programs targeted to enhance water use efficiency for commercial, industrial, and institutional water users.

(iii) Assist water suppliers and regions with programs and measures targeted toward realizing the conservation benefits of implementation of the provisions of the state landscape model ordinance.

(B) Agricultural water use efficiency projects and programs pursuant to Part 2.8 (commencing with Section 10800) of Division 6.

(C) Agricultural water management plans developed pursuant to Part 2.8 (commencing with Section 10800) of Division 6.

(2) The department shall award grants or loans under this chapter in a competitive process that considers, as primary factors, the local and statewide conservation and water use efficiency benefits of the measures proposed for grants.

(b) Section 1011 applies to all conservation measures that an agricultural water supplier or an urban water supplier implements with funding under this chapter. This subdivision does not limit the application of Section 1011 to any other measures or projects implemented by a water supplier.

CHAPTER 12. FISCAL PROVISIONS

79810. (a) Bonds in the total amount of eleven billion one hundred forty million dollars (\$11,140,000,000), not including the amount of any refunding bonds issued in accordance with Section 79822, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this division and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute valid and binding obligations of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both the principal of, and interest on, the bonds as the principal and interest become due and payable.

(b) The Treasurer shall sell the bonds authorized by the committee pursuant to this section. The bonds shall be sold upon the terms and conditions specified in a resolution to be adopted by the committee pursuant to Section 16731 of the Government Code.

79811. The bonds authorized by this division shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law, and all of the provisions of that law apply to the bonds and to this division and are hereby incorporated in this division as though set forth in full in this division, except Section 16727 of the Government Code shall

not apply to the extent that it is inconsistent with any other provision of this division.

79812. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this division, the Safe, Clean, and Reliable Drinking Water Finance Committee is hereby created. For purposes of this division, the Safe, Clean, and Reliable Drinking Water Finance Committee is “the committee” as that term is used in the State General Obligation Bond Law.

(b) The committee consists of the Director of Finance, the Treasurer, the Controller, the Director of Water Resources, and the Secretary of the Natural Resources Agency. Notwithstanding any other provision of law, any member may designate a deputy to act as that member in his or her place for all purposes, as though the member were personally present.

(c) The Treasurer shall serve as chairperson of the committee.

(d) A majority of the members of the committee shall constitute a quorum of the committee, and may act for the committee.

79813. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this division to carry out the actions specified in this division and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

79814. “Board,” as defined in Section 16722 of the Government Code for the purposes of compliance with the State General Obligation Bond Law, means the department.

79815. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year, and it is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act which is necessary to collect that additional sum.

79816. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this division, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this division, as the principal and interest become due and payable.

(b) The sum that is necessary to carry out the provisions of Section 79819, appropriated without regard to fiscal years.

79817. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account in accordance with Section 16312 of the Government Code for the purpose of carrying out this division. The amount of the request shall not exceed the amount of the unsold bonds that the committee has, by resolution, authorized to be sold for the purpose of carrying out this division. The board shall execute those documents required by the Pooled Money Investment Board to obtain

and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated in accordance with this division.

79818. Notwithstanding any other provision of this division, or of the State General Obligation Bond Law, if the Treasurer sells bonds that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes under designated conditions, the Treasurer may maintain separate accounts for the bond proceeds invested and for the investment earnings on those proceeds, and may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with respect to the investment and use of those bond proceeds, as may be required or desirable under federal law in order to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

79819. For the purposes of carrying out this division, the Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds that have been authorized by the committee to be sold for the purpose of carrying out this division. Any amounts withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund, with interest at the rate earned by the money in the Pooled Money Investment Account, from proceeds received from the sale of bonds for the purpose of carrying out this division.

79820. All money deposited in the fund that is derived from premiums and accrued interest on bonds sold pursuant to this division shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

79821. Pursuant to Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code, the cost of bond issuance shall be paid out of the bond proceeds. These costs shall be shared proportionately by each program funded through this division.

79822. The bonds issued and sold pursuant to this division may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the electors of the state for the issuance of the bonds under this division shall include approval of the issuance of any bonds issued to refund any bonds originally issued under this division or any previously issued refunding bonds.

79823. The proceeds from the sale of bonds authorized by this division are not “proceeds of taxes” as that term is used in Article XIII B of the California Constitution, and the disbursement of these proceeds is not subject to the limitations imposed by that article.

79824. Of the eleven billion one hundred forty million dollars (\$11,140,000,000) in bonds authorized in this division, no more than five billion five hundred seventy million dollars (\$5,570,000,000) shall be sold by the Treasurer before July 1, 2015.

SEC. 2. Section 1 of this act shall be submitted to the voters at the November 2, 2010, statewide general election in accordance with provisions of the Government Code and the Elections Code governing the submission of a statewide measure to the voters.

SEC. 3. (a) Section 1 of this act shall take effect only upon the approval by the voters of the Safe, Clean, and Reliable Drinking Water Supply Act of 2010, as set forth in that section at the November 2, 2010, statewide general election.

(b) (1) Notwithstanding Section 9051 of the Elections Code or any other provision of law, the Attorney General shall provide and return to the Secretary of State a ballot title and summary in 10-point type for all state ballot pamphlets of the November 2, 2010, statewide general election that contains the following title and summary for Senate Bill 2, adopted by the Legislature at the 2009–10 Seventh Extraordinary Session:

“SAFE, CLEAN, AND RELIABLE DRINKING WATER SUPPLY ACT OF 2010” and in the same square under those words:

“To protect water quality and ensure safe, clean drinking water; meet the water supply needs of California residents, farms, businesses, expand water conservation and recycling; restore fish and wildlife habitat; reduce polluted runoff that contaminates rivers, streams, beaches, and bays; and protect the safety of water supplies threatened by earthquakes and other natural disasters; the State of California shall issue bonds totaling eleven billion one hundred forty million dollars (\$11,140,000,000) paid from existing state funds subject to independent, annual audits, and citizen oversight.”

(2) The language in paragraph (1) shall be the only language included in the title and summary for Senate Bill 2, adopted by the Legislature at the 2009–10 Seventh Extraordinary Session, and the Attorney General shall not supplement, subtract from, or revise that language.

(3) Notwithstanding any other provision of law, including Sections 9050, 9051, 13247, 13262, and 13281 of the Elections Code, the language in paragraph (1) for the title and summary shall also be the language included in the ballot label for the condensed statement of the ballot title, and the Attorney General shall not supplement, subtract from, or revise that language, except that the Attorney General may include the fiscal impact summary prepared pursuant to Section 9087 of the Elections Code and Section 88003 of the Government Code. The ballot label is the condensed statement of the ballot title and the financial impact summary.

(c) Opposite the square, there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the act.

(d) Where the voting in the election is done by means of voting machines used pursuant to law in the manner that carries out the intent of this section, the use of the voting machines and the expression of the voters’ choices by means thereof are in compliance with this section.

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SEC. 4. This act shall take effect only if Senate Bill 1 of the 2009–10 Seventh Extraordinary Session is enacted and becomes effective.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to fund a safe, clean, and reliable water supply at the earliest possible date, it is necessary that this act take effect immediately.

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Attachment 2

Summary of Prop. 18 Provisions Pertaining to the Delta Conservancy

Section #	Description	Dollar Amount Available
79705	No more than 5 percent of the funds allocated for a grant program may be used to pay for administrative costs of that program.	\$112.5 million (five percent of \$2.25 billion)
79706	Up to 10 percent of funds allocated for each program may be spent on planning and monitoring for projects	variable
79708 (a)	State agencies issuing grants shall develop and adopt project solicitation and evaluation guidelines, which may include dollar amount limitations of grants; must also hold three public meetings to before finalizing the guidelines and publish draft solicitation and evaluation guidelines on its website 30 days before the public meeting.	variable
79731	Makes bond money available for grants and direct expenditures	\$2.25 billion
79731(a) (1)	Specifies amount of money for grants to Delta counties and "cities in the Delta" that provide public benefits and support Delta sustainability options, includes projects and scientific studies and assessments for: <ul style="list-style-type: none"> • Protect urban and agricultural water supplies from catastrophic levee failures • Preserve sustainable agriculture and other economic activities in the Delta • Improve drinking water quality from the Delta • Improve levee, flood control, and other vital infrastructure to protect Delta communities • Improve waterflow and water quality for native fish and wildlife • Facilitate other projects approved by the Legislature • Mitigate other impacts of water conveyance and ecosystem restoration • Provide or improve water quality facilities and other infrastructures 	\$750 million
79731(a)(2)	Provides for matching grants for improvements to wastewater treatment facilities upstream of the Delta to improve Delta water quality	\$50 million
79731(a)(3)	Provides for assistance to local governments in the Delta and the local agricultural economy due to loss of productive agricultural lands for habitat and ecosystem restoration within the Delta	\$250 million

Agenda Item: 10
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79731(b)	Makes bond money available for projects to protect and enhance the sustainability of the Delta ecosystem, including: <ul style="list-style-type: none">• implement BDCP; funds may be expended for environmental documentation and environmental compliance• protect and restore native fish and wildlife dependent on the Delta ecosystem, including acquiring water rights and removing or reducing undesirable invasive species• reduce greenhouse gas emissions from exposed Delta soils• reduce impacts of mercury contamination of the Delta and its watersheds; remediate and eliminate continuing sources of mercury	\$1.5 billion
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Attachment 3

**Statutory Actions of the Delta Conservancy
 Chapter 5, Statutes of 2009 (SBX7-1)**

Action (Section)	Shall	Should	May
Act as a primary state agency to implement Delta ecosystem restoration, (Sec. 32322 et seq.)	x		
Eleven voting Board members appointed; 10 liaison advisors serve in advisory, non-voting (Sec. 32330 et seq.)	x		
Elect chairperson and other officers annually (Sec. 32332)	x		
Board adopts rules and procedures to conduct conservancy business (Sec. 32336)	x		
Establish advisory boards or committees (Sec. 32338)			x
Board appoint an Executive Officer for the conservancy (Sec. 32342)	x		
Board enter into contracts for consulting or other services (Sec. 32344)			x
Conduct business according to Bagley-Keene (Sec. 32348)	x		
Make Delta Conservancy funds available for ecosystem restoration projects consistent to its strategic plan (Sec. 32360(b)(2))	x		
Allocate funds to Delta economic sustainability program (Sec. 32360 (b)(3))			x
Take or fund actions outside of Delta, in implementing the Delta Plan, if specified conditions are met (Sec. 32360.5 et seq)			x
Engage in partnerships with NGOs, local public agencies, and landowners (Sec. 32362)			x
Consult with city or county government where grant money will be spent and coordinate with appropriate state agencies; cooperate and consult with specified facility operators. (Sec. 32363)	x		
Develop terms and conditions for grant awards, including cost-share, consistency with its strategic plan or Delta Plan, or repayment (Sec. 32364 (a))			x

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Provide grants and loans to state agencies, local public agencies, and NGOs to further the conservancy's goals (Sec. 32364.5(a))			X
Require specified information if grant or loan is to purchase real property (Sec. 32364.5(b))	X		
Sue and be sued (Sec, 32365)			X
Acquire from willing sellers interest in real property (Sec. 32366 (a))			X
Use conservation easements to accomplish ecosystem restorations (Sec. 32366 (b))	X		
Enter into agreement with public agency, NGO, or private entity to construct, manage, or maintain conservancy facilities (Sec. 32368)			X
Pursue and accept funds from various sources (Sec. 32372(a))			X
Accept fees levied by others (Sec. 32372 (b))			X
Create and manage endowments (Sec. 32372 (c))			X
Deposit all funds received into the Delta Conservancy fund (Sec. 32372 (d))	X		
Prepare and adopt a strategic plan, with specified content (Sec. 32376)	X		
Spend funds and award grants and loans for collaborative planning (Sec. 32378(a))			X
Provide technical information and expertise to NGOs, etc. (Sec. 32378(b))			X
Acquire water or water rights to support goals of conservancy (Sec. 32380)			X



SACRAMENTO - SAN JOAQUIN
DELTA CONSERVANCY

3500 Industrial Blvd.
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<http://www.deltacconservancy.ca.gov>

Action Items and Meeting Summary for July 7, 2010

Background

Action Items and Meeting Summary from Conservancy Board meeting on July 7, 2010

List of Attachments

Attachment 1 – Action Items and Meeting Summary

Contact

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Sacramento-San Joaquin Delta Conservancy
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SACRAMENTO - SAN JOAQUIN
DELTA CONSERVANCY

**Action Items and Meeting Summary
for the July 7, 2010, Board Meeting
at
3500 Industrial Blvd., West Sacramento**

ACTION ITEMS

1. Interim Executive Officer will work with the Executive Search committee to set a meeting date to develop search criteria for a permanent Executive Officer. The meeting will be publically noticed
2. Staff will provide the Board with a planning calendar for filling vacant positions.
3. Staff will provide a report to the Board regarding the implications for the Conservancy if the Water Bond is removed from the November 2010 ballot.
4. Staff will contact Senator Feinstein's office to get permission to send out copies of the discussion draft version of her proposed Delta Restoration and Recreation Act. Staff will also arrange for representative from Senator Feinstein's office to attend future Conservancy Board meeting to discuss proposed bill.
5. Staff will amend the Conflict of Interest Code as proposed by the Board.
6. Staff will attend Delta Plan meetings and send the link to the second public draft to the Board.
7. Staff will reschedule the Central Valley Joint Venture presentation to the August meeting.

MEETING SUMMARY

1. Call to Order

The meeting was called to order at 9:05 a.m., June 9, 2010, by Mary Piepho, chair of the Sacramento-San Joaquin Delta Conservancy.

Chair Piepho asked that at future meetings a flag salute be included on the agenda.

2. Welcome and Introduction

Chair Piepho asked Board members and audience members to introduce themselves.

3. General Public Comments

There were no general public comments.

4. Oath of Office (if necessary)

No oath of office was necessary.

5. Roll Call

Roll call was taken and a quorum was established. The following voting members were present for the meeting: Chuck Bonham, Mike Eaton, Mary Piepho, Jim Provenza, Dan Taylor, Ken Vogel, Eddie Woodruff, and Jimmie Yee. The following non-voting members were present: Pablo Arroyave, Steve Chappell, Mary Grim, Jessica Hamburger, and Amy Hutzel.

6. Executive Officers Report

- Executive Officer Recruitment. Ms. Messer explained that the Department of Personnel Administration approval process for the exempt position is facilitated by the fact that the statute calls for the Executive Officer to be exempt. The Delta Protection Commission has opted out of joining their executive officer search with the Conservancy's. The CPS contract for executive search services will take about four weeks; the Executive Search committee will work with Ms. Messer to set up a public meeting to discuss search criteria for the position.
- Conservancy Staff Hiring. There are four vacancies, including the Executive Officer position. Ms. Messer will begin interviewing for the Board Liaison position on July 8, 2010. The other vacancies are an Environmental Scientist/Staff Environmental Scientist position and another Associate Governmental Program Analyst position. At a later meeting, the Board will be asked to discuss the Conservancy's future and possibly rethink some position classifications.
- Headquarters Search. DWR has agreed to extend the MOU to June 30, 2011. Ms. Messer met with the Department of General Services to begin the search for permanent office space, which she anticipates the Conservancy will have in 12 to 14 months. The focus for new office space will center in West Sacramento, and Ms. Messer hopes to bring a list of options to the Board at its August meeting. The idea of co-locating DPC may no longer be an option because the DPC has already selected a site.

- **Budget.** Ms. Messer took out the additional 5 percent, as mentioned in the June meeting, which leaves about \$91,000 for operating costs. She will bring a new budget summary to the Board at its August meeting.
- **Water Bond.** Chair Piepho requested that staff prepare a report outlining the potential impacts to the Conservancy's budget and programs if the Water Bond is not on the November 2010 ballot.
- **Conservancy Interactions with Other Agencies.** Conservancy staff attended three meetings at other agencies, and developed a log of meetings attended. Chair Piepho asked that the staff continue using the form listing interactions with other agencies.
- **Travel Expense Claims (TEC) Forms and Volunteer Time Sheet.** Ms. Messer will find out if the Board members can FAX in their travel expense claims or if she is required to collect an original signature from them, and will email to what she's found out to the Board members. Board members were encouraged to contact staff with specific expense claims questions. Ms. Messer said she can collect monthly travel expense claims, but these will not be paid out until the budget is passed. Ms. Messer will advise the Board regarding whether or not the non-voting members need to fill out volunteer time sheets.
- **CEQA Review.** Ms. Messer informed the Board that the Conservancy does have CEQA review responsibilities. Staff will prepare a report for the Board to review in its August meeting.
- **Legislative Update.** Legislation correcting a mistake in SBX7-1 was passed in the Legislature; the correction identified the Department of Commerce, rather than the Department of the Interior, as the appointing agency for the NMFS advisory liaison to the Board. Ms. Messer mentioned that Senator Diane Feinstein has a discussion draft out about making the Delta a National Heritage Area; the bill's language includes \$2 million for the Delta Conservancy to complete its strategic plan. A copy of the discussion draft is available at: <http://www.delta.ca.gov/res/docs/CEL10454.pdf> . Chair Piepho asked staff to invite someone from the Senator's office to come to one of the Board's meetings, the sooner the better.
- **High Level Agenda.** Ms. Messer said that this planning tool will be revised for the next meeting to include issues that have emerged since it was first developed. Member Provenza read from the statute to remind the Board that part of the Conservancy's role is to help advance the economic well-being in the Delta (Public Resources Code Section 32322).

7. Ratification of the Conservancy's Organizational Chart

The Board ratified the Conservancy's organizational chart by an 8-0 vote.

8. Conflict of Interest Code

Matt Campbell, the Conservancy's attorney, said that the conflict of interest code does apply to alternates, and the deadline for their Form 700 is 30 days after they take their oath of office. Alternates at that time are also subject to the ethics training requirement that must be completed within six months of taking their oath.

Voting members who have already taken ethics training do not need to repeat the training as long as it was conducted by a State agency, has not expired, and was taken within the last two years.

Conflict of interest code requirements only apply to voting members of the Conservancy Board.

In discussing the proposed conflict of interest code, Member Provenza said that the Board should be informed regarding consultants' levels of disclosure. Mr. Campbell suggested that it was not necessary to put that in the code, and that the Board could direct the staff to brief the Board regarding consultants' reporting requirements on a case-by-case basis.

By law, the conflict of interest code does not apply to non-voting members of the Board; the Board noted that fact and asked that the proposed conflict of interest code for the Conservancy be amended to specifically state that provisions applied to the voting members. The Board voted 8-0 to accept the proposed conflict of interest code, as amended, and to direct staff to proceed with the rulemaking process.

9. Consent Calendar Items

The Board approved the consent calendar items on a vote of 8-0.

10. Delta Plan Overview

Joe Grindstaff, interim executive officer for the Delta Stewardship Council, gave an overview of the Delta Plan and the schedule for completion that includes a draft by the end of 2010. The Delta Plan is to be completed by mid- 2011.

Mr. Grindstaff encouraged Board members to read the second interim plan draft and to look at and comment regarding policies. Mr. Grindstaff said that the Delta Stewardship Council was setting up an interagency team to keep organizations, including the Conservancy, involved in and informed about the Delta Plan.

Staff was directed by the Board to attend Delta Plan meetings and to email the link to the second public draft to the Board.

11. Bay Delta Conservation Plan (BDCP) Overview

Karla Nemeth, from the California Natural Resources Agency, gave a presentation about the BDCP. The BDCP schedule includes a public draft by the end of 2010 and a draft environmental impact statement/environmental impact report (EIR/EIS) in the first half of 2011. The final BDCP and final EIR/EIS is scheduled for the beginning of 2012.

The Board had many questions for Ms. Nemeth, ranging from factual clarifications regarding restoration acreages to technical questions regarding the proposed canal or tunnel—alignment and capacity. The Board also asked what their role was in the BDCP process.

Ms. Nemeth said that it was critical for the Delta Conservancy Board to comment on the public review draft, and that the Board's comments would be most relevant in the implementation scheduling and refinement sections.

12. Central Valley Joint Venture Management Plan Presentation

The Central Valley Joint Venture Management Plan was held over for the August Board meeting because the BDCP presentation and questions lasted longer than originally planned.

13. Public Comments

There were no public comments.

Respectfully submitted on July 12, 2010

Nancy Ullrey, Program Lead
Sacramento-San Joaquin Delta Conservancy