

MINUTES

MEETING OF THE RECLAMATION BOARD
September 21, 2007

NOTE: THE BOARD WILL CONSIDER TIMED ITEMS AS CLOSE AS POSSIBLE TO THE LISTED TIME, BUT NOT BEFORE THE TIME SPECIFIED. UNTIMED ITEMS MAY BE HEARD IN ANY ORDER. MINUTES ARE PRESENTED IN AGENDA ORDER, THOUGH ITEMS WERE NOT NECESSARILY HEARD IN THAT ORDER.

A regular meeting (Open Session) of the Reclamation Board was held on September 21, 2007, beginning at 9:11 a.m. in the Resources Building, 1416 Ninth Street, Sacramento, California.

The following members of the Board were present:

Mr. Benjamin Carter, President
Mr. Butch Hodgkins, Vice President
Ms. Lady Bug Doherty, Secretary
Ms. Rose Marie Burroughs, Member
Ms. Teri Rie, Member
Ms. Emma Suarez, Member

The following members of the staff were present:

Mr. Jay Punia, General Manager
Mr. Stephen Bradley, Chief Engineer
Ms. Nancy Finch, Legal Counsel
Mr. Dan Fua, Supervising Engineer
Mr. Scott Morgan, Legal Counsel
Ms. Lorraine Pendlebury, Staff Assistant

Department of Water Resources staff present:

Mr. Jeff Fong
Mr. David Guitierrez
Mr. Rod Mayer
Mr. Eric McGrath
Mr. Mike Mirmazaheri
Mr. Ricardo Pineda
Mr. Kasey Schimke

Also present (according to sign-in sheet and cards):

Mr. Howard Brown, National Marine Fishery Service
Mr. Paul Brunner, TRLIA
Mr. Stein M. Buer, SAFCA
Mr. Paul Henson, U.S. Fish & Wildlife Service
Colonel Thomas Chapman, U.S. Army Corps of Engineers
Mr. Bill Darsie, Kjeldsen, Sinnock & Neudeck
Mr. Tom Eres, Hofman Ranch
Mr. Scott Flint, Department of Fish & Game
Mr. Tom Foley, Concerned Citizens for Responsible Growth
Mr. Les Heringer, M&T Ranch, Butte Basin
Mr. Reggie Hill, L.S.J.L.D.
Ms. Meegan Nagy, U.S. Army Corps of Engineers
Mr. Ric Reinhardt, TRLIA
Mr. Thomas Rich, Rice River Ranch

1. **ROLL CALL**

President Carter brought the meeting to order at 9:11 a.m. and welcomed newly appointed Board Member Emma Suarez, who was a member of the Board two years ago. President Carter mentioned that Mr. John Brown was also appointed and will join the Board in October.

2. **CLOSED SESSION - None.**

3. **APPROVAL OF MINUTES - May 18, 2007; June 8, 2007; June 15, 2007; July 20, 2007**

Upon motion of Secretary Doherty and seconded by Member Rie, the Board unanimously approved the minutes of May 18, 2007; June 8, 2007; June 15, 2007; and July 20, 2007.

4. **APPROVAL OF AGENDA**

General Manager Punia suggested that the portion of Item 15, Report of Activities of the General Manager, that references a briefing on the vegetation symposium and roundtable meeting which took place in August, be moved up the agenda to just after Item 5, Public Comment. Also that Item 12, Proposed Title 23 Regulatory Changes, be changed from an action item to an informational item, as staff needs additional time before coming to the Board with a solid recommendation for the Board's approval.

President Carter suggested that the briefing on the vegetation symposium and roundtable meeting be moved to just before Item 5, Public Comment, so the public will have a chance to hear that briefing and comment on it if desired (the vegetation symposium briefing comments occur at the beginning of Item 15).

Upon motion of Member Burroughs and seconded by Secretary Doherty the agenda, with the suggested changes, was unanimously approved.

5. PUBLIC COMMENTS

Mr. Les Heringer, manager of the M&T Ranch, provided copies and read a letter recently sent to Colonel Chapman, U.S. Army Corps of Engineers, about the issues at the Phelan Levee at river mile 192.5 that protects the flow splits into the Butte Basin overflow area.

6. REPORT OF ACTIVITIES OF THE DEPARTMENT OF WATER RESOURCES (DWR)

Mr. Kasey Schimke, Assistant Director for Legislative Affairs, provided a summary of the extensive list of flood-related legislation pending before the Governor and the Legislature.

Mr. Rod Mayer updated the Board on several items:

- Regarding the Delta Emergency Response, he reminded the Board that the Governor issued a directive on urgent Delta needs on July 17th. In response, DWR has been developing an emergency operations plan, along with developing plans for field work and field preparations, which would focus on stockpiling rocks in the Port of Stockton and Rio Vista.*
- On the DWR budget, DWR recently prepared a notice to the Legislature, telling them that DWR intends to access some of the Prop 84 funds.*
- DWR believes they have more than sufficient funding in the current year's budget for sediment removal.*
- Sediment removal activities began on the Tisdale Bypass on August 16th and are on schedule.*
- The flood protection corridor program has received additional funding from Prop 84 and has now gone out with grant solicitations.*
- Regarding state/federal flood control system modifications: DWR went through a process of reviewing seven applications; four have passed the initial eligibility screening, three have not. The state cost for the modifications is estimated at \$211 million. The four successful applicants have been asked to provide their financial plans and any other information necessary to complete their applications. These plans are expected to be provided in early October.*
- Levee evaluation program: drilling stopped in late July due to delays in funding associated with delay in passage of the state budget. Now that the budget has been*

passed, DWR is working to get the drill rigs back out and moving again; resumption of drilling is a high priority. Rural levee evaluations began with advertisement of two contracts, each for \$60 million (Sacramento Valley and San Joaquin Valley) and RFQ's were advertised on September 7th.

- On erosion repairs: for 2005 sites, 29 of 33 sites were completed, and the other four are deferred until next month; for 2006 sites, 22 of 24 sites are scheduled for completion in November. The two sites on Cache Creek will be deferred to 2008 as negotiations with landowners for the setback levees are continuing. Forty-three of the 53 PL 84-499 Order One and Order Two site repairs have been completed, with four more scheduled for completion in November.

- In response to an inquiry from Member Rie, Mr. Mayer stated that DWR will provide the Board a brief summary of the conditions of particular levees, good or bad.

- Regarding the Phelan Levee: a report will come out at the end of September that will answer some of the key questions about the criticality of the erosion site. The larger issues related to the Butte Basin will require a lot of additional work before a report is ready. A copy of that final report will be given to the Board. Timeframe for completion of that report is unknown at this time.

- The annual levee and channel inspection report is completed and copies will be distributed to the Board.

7. THREE RIVERS LEVEE IMPROVEMENT AUTHORITY (TRLIA) MONTHLY REPORT

Mr. Paul Brunner, TRLIA, provided the monthly report and answered Board Member questions.

General Manager Punia provided a quick update on the Segment 2 application. Based upon Vice President Hodgkins' request, staff from the Corps, DWR and the Board had a meeting and concluded that, based upon the information received, the TRLIA application can be brought before the Board to seek the Board's conceptual approval, although all the pieces are not in place as yet to issue a permit.

Mr. Mayer, DWR, commented that DWR engaged their division of engineering to take the lead in design review of the project and found no fatal flaws. He then elaborated on elements of the design that concern DWR.

Mr. Thomas Rice, owner of Rice River Ranch, stated that he has no material disagreements with the proposed agreement that TRLIA has presented to him and reiterated his request that the Board continue to strongly request and require TRLIA to quickly complete the proposed agreement.

Mr. Thomas Foley, Concerned Citizens for Responsible Growth (CCRG), re-emphasized that CCRG considers the project agreement to be "half-assed" and would like the state to take the project over to protect the citizenry.

Mr. Tom Eres, Hofman Ranch, expressed his hope that the Board would be very careful regarding conceptual approvals, as they tend to quickly become impractical over time.

CONSENT

8. CONSENT CALENDAR

A. Agricultural Lease No. 2007-1-RD, Sutter County

Consider renewal of Lease No. 2007-1-RB, Mr. Davie E. Nall, for a period of five years from May 1, 2007, to April 30, 2012, for agricultural purposes.

B. Agricultural Lease No. 2007-2-RB, Yolo County

Consider renewal of Lease No. 2007-2-RD, River Garden Farms, for a period of five years from May 1, 2007, to April 30, 2012, for agricultural purposes.

C. Agricultural Lease No. 2007-3-RB, Sutter County

Consider renewal of Lease No. 2007-3-RD, Mr. Ross Madden, for a period of five years from May 1, 2007, to April 30, 2012, for agricultural purposes.

D. Pipeline Easement, City of Fairfield, Solano County

Consider approval of an easement to the City of Fairfield for a water pipeline across Reclamation Board fee-owned property located at Ledgewood Creek near the City of Fairfield.

Mr. Jeff Fong, DWR, read five amendments into the record for Items 8A and 8C. Secretary Doherty motioned that Items 8A and 8C be approved, with the five amendments included, seconded by Vice President Hodgkins. The motion was unanimously carried.

Vice President Hodgkins motioned for approval to Items 8B and 8D, seconded by Secretary Doherty. The motion was unanimously carried.

REQUESTED ACTIONS

9. APPLICATIONS - None.

PROJECT OR STUDY AGREEMENTS

10. Consider Approval of Changes to the Delta Levees Subventions Guidelines and Requested Reimbursement Amounts

Mr. Mike Mirmazaheri, DWR, briefed the Board on the subvention guidelines and the requested increase of reimbursement amounts for levee maintenance from \$15,000 per mile to \$20,000 per mile, and then answered Board Member questions.

Upon motion by Board Member Suarez, seconded by Board Member Rie, the changes to the Delta Levee Subventions Guidelines and the requested reimbursement amounts -- which includes approval of Table 5 and the amended language to the subventions on page 19 regarding Article 7, carryover -- were unanimously approved.

11. Modifications to Levee at Wadsworth Canal, Sutter County

Mr. Eric McGrath, DWR, Division of Flood Management, presented an overview of the history of the project and the proposed modifications and then asked for the Board's formal approval of Resolution 07-05.

President Carter entertained a motion to consider approval of the Resolution, which requests that delegation of authority be given to the General Manager of the Reclamation Board to sign the amended PCA, schedule and cost change report with U.S. Army Corps of Engineers for the cost share PL 84-99 program.

Upon motion by Vice President Hodgkins, seconded by Board Member Rie, Resolution 07-05 was unanimously approved.

INFORMATIONAL BRIEFINGS

12. Proposed Title 23 Regulatory Changes - Discussion Only

(As previously noted, this item was changed from an action item to an informational briefing.)

Legal Counsel Nancy Finch gave a progress report on the proposed changes and noted that staff was diligently moving forward on finalizing the language.

13. Lower San Joaquin River Flood Control Project Operational Concerns

Mr. Reggie Hill, Lower San Joaquin Levee District (LSJLD), presented an overview and extensive informational data on the various operational concerns, with an emphasis on flood management issues and a reference to a Memorandum of Understanding (MOU) between DWR, Department of Fish and Game (DFG) and the LSJLD. He stated that, with the tremendous number of issues involved, the initial estimate of costs, currently somewhere between \$250 and

\$800 million, may be insufficient. Also, Congress must pass legislation before the major projects can be initiated. Mr. Hill concluded by saying that, although it was unknown how the process would evolve, they were working with DWR and the Corps towards getting some work done on the ground in the summer of '08.

President Carter suggested that Board staff look at the MOU process and what DWR and DFG had committed to thus far in terms of implementation of the settlement; that staff investigate whether or not the Board would be satisfied with the MOU regarding perspectives on flood control for the facilities mentioned; that Board staff, in essence, should first determine what the state participation is, and then go from there. If the Board feels that flood control interests are not being appropriately represented, the Board may wish to get involved on some level. Further, Vice President Hodgkins asked that Legal Counsel Morgan include a legal review of the MOU.

Mr. Dan Fua and Mr. Reggie Hill will continue to work together on these problems.

BOARD REPORTS

14. BOARD COMMENTS AND TASK LEADER REPORTS

Secretary Doherty mentioned attending two TAC meetings and the Sacramento River Conservation Area forum.

Member Rie commented that the Delta Levee Subventions are something that the Board approves annually and she didn't get any suggestions from the Board on their number one priority projects. She encouraged her fellow Members to continue to think about that and let her know if they have any ideas.

President Carter asked Board Member Suarez to follow closely some of the legislative initiatives that are ongoing as part of a task for the Board; that she remain apprised of them and work with DWR and Mr. Schimke to keep the Board up to speed. In addition, perhaps she can represent the Board on some of those discussions. Board Member Suarez stated that she would do so.

Member Burroughs mentioned attending the Denis Cardoza public meeting for a FEMA presentation, the Lower San Joaquin Subcommittee Meeting, and the Delta Water Plan meeting in Stockton, and found them all very informative. She looks forward to attending future meetings at those venues.

President Carter mentioned a series of workshops that the Flood Protection Corridor Program will be holding: October 1st in Red Bluff; October 2nd in Sacramento; October 3rd in Fresno; October 4th in Los Angeles; and October 5th in San Diego. These are pre-submittal workshops for potential applicants to the grant monies totaling \$24 million for the Program and if any of the Board members wish to attend any of those to come up to speed on the issues involved, they are welcome to do so.

15. REPORT OF ACTIVITIES OF THE GENERAL MANAGER

(As previously mentioned, the briefing on the vegetation symposium occurred prior to Public Comment. Other items were reported in their normal timeframe.)

General Manager Punia presented a joint communiqué from the participants of the levee roundtable. The following agencies were represented in the roundtable discussion: The U.S. Army Corps of Engineers, with representatives from Washington D.C., San Francisco District Office and Sacramento District; U.S. Fish and Wildlife Service; National Marine Fishery Service; California Department of Water Resources; California Department of Fish and Game; Sacramento Area Flood Control Agency; the local Reclamation District 2068; and the Reclamation Board.

Some outcomes from the symposium and roundtable meeting were:

- A phased system-wide plan will be drafted to include vegetation management requirements for Central Valley levees and adjoining channels. The maintaining agencies will defer substantial vegetation removal while the plan is being developed to ensure that agencies are working together collectively to implement the system-wide plan upon its completion.*
- In the meantime, the Corps will not decertify a levee for PL 84-99 due to noncompliance as a result of vegetation while the plan is being developed.*
- A draft framework for the plan will be available for stakeholder review in early 2008.*
- The roundtable will next meet on October 12 to begin working aggressively to develop the phased plan.*

Colonel Tom Chapman, Sacramento District Commander, U.S. Army Corps of Engineers assured the Board of the Corps' commitment to public safety, to this effort, and to the flood risk management system in this region. He stated the end goal will be that the final status of all individual levees will be left within the federal system so they would remain eligible to receive federal funding.

Roundtable members Paul Henson, U.S. Fish and Wildlife; Howard Brown, National Marine Fishery Service; Scott Flint, California Department of Fish and Game; and David Gutierrez, Department of Water Resources, all reiterated their commitment to public safety generally and to the development and implementation of the system-wide plan.

General Manager Punia reported on several additional items, among them:

- The Board was finally able to send the Section 408 letter to the Corps and expressed thanks to Ms. Rie and Mr. Hodgkins for their help.

- A letter was received from Family Water Alliance expressing some concerns about the Board's permit conditions for pipes through levees.

- The Board received a letter from Senator Sam Aanestad regarding erosion at the Phelan Levee which basically supported Mr. Les Heringer's position that the Department is obligated, under Water Code Section 8361, to maintain the flood control features in the Butte Basin area.

- Regarding the Board's new hires, one position is filled by Eric Butler, and the second position is in the process of being filled.

- Following up on a request from Board Member Burroughs, Mr. Punia gave a briefing on the interagency collaborative meeting.

- Staff has been coordinating on two bridges of the Union Pacific Railroad (UPR).

The first is the bridge that was burned in March in Sacramento (along the American River floodway). It was determined that there is no major damage to the levee at that location.

The second is located on the Bear River in Placer County, south of the city of Wheatland, near Highway 65. Previously the Board issued a stop work order for this project, which is to replace an old bridge, when it was determined that part of the replacement is filling the floodplain and UPR did not have an encroachment permit from the Board for this purpose. UPR later submitted an application for an encroachment permit and it was determined that UPR has no permits from DFG. A revised application was subsequently submitted by UPR and the Board heard from the U.S. Army Corps of Engineers that the Corps is going to review the project to make sure that Section 404 is not needed. Thus, the Board is in no position at this time to allow UPR to restart the project. Mr. Punia stressed that UPR has been cooperative throughout this process and has satisfied the Board that they are willing to comply with Board regulations.

- In response to a question from Secretary Doherty, Mr. Punia stated that staff will check with DWR to determine whether or not TRLIA has submitted their audited records for the last three years to DWR, as required, and they will have that information ready for the next Board Meeting.

16. FUTURE AGENDA

Legal Counsel Morgan stated he will want to add something to the closed session in addition to the placeholder for the NRDC lawsuit, in case the AGS has nothing to report. He will also talk to the Board about the Jones Tract litigation.

General Manager Punia stated that he will make sure the Board is apprised regarding DWR responses to the situation with the M&T Ranch. A potential action item will be added, which will detail Board response to DWR's report, if deemed necessary.

A potential action items concerns another meeting of the roundtable on October 12. There may be some action requested as a result of that meeting.

A briefing on the Dream study on Delta Risk will be added. Members of the public will be invited to comment on the study.

President Carter will work with staff on holding the October meeting in the upper Sacramento Valley. It would be a two-day meeting, the first day of which would include tours of the Feather River setback, the Bear River setback and the Sutter County setback. The Sutter Bypass and Tisdale Weir might also be toured. The second day would be the normal Board meeting. President Carter will work with staff to accommodate the two-day timeframe.

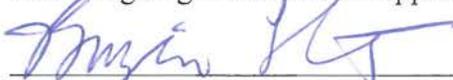
17. ADJOURN

President Carter adjourned the meeting at 4:48 p.m.

Dated: NOVEMBER 16, 2007


Maureen Doherty
Secretary

The foregoing minutes were approved:


Benjamin F. Carter
President