

MINUTES
MEETING OF THE CENTRAL VALLEY FLOOD PROTECTION BOARD
April 22, 2011

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 Central Valley Flood Protection Board was held on April 22, 2011 at 8:30 a.m. at The Resources Building, 1416 Ninth Street, Auditorium, Sacramento, California.

The following members of the Board were present:

Mr. Benjamin Carter, President
Ms. Teri Rie, Vice President
Mr. Butch Hodgkins, Secretary
Mr. John Brown
Mr. John Moffatt
Ms. Emma Suarez
Mr. Mike Villines

The following members of the Board staff were present:

Mr. Jay Punia, Executive Officer
Mr. Dan Fua, Supervising Engineer
Mr. Ali Porbaha, Supervising Engineer
Mr. Curt Taras, Supervising Engineer
Mr. Eric Butler, Senior Engineer
Mr. Gary Lemon, Staff Engineer
Ms. Alejandra Lopez, Real Estate Representative
Ms. Amber Woertink, Office Technician
Ms. Deborah Smith, Legal Counsel

Department of Water Resources (DWR) staff present:

Mr. Jeremy Arrich, Chief, Central Valley Flood Protection Office
Mr. Gary Bardini, Chief, Division of Flood Management
Ms. Tasmin Eusuff, Senior Engineer
Mr. Jaime Matteoli, Staff Engineer
Mr. Don Rasmussen, Chief, Flood Project Inspection and Integrity Branch
Mr. Keith Swanson, Chief, Flood Maintenance Officer

Also Present:

Mr. Gary Hubl
Mr. Richard Meyer, Meyer Civil Engineering

1. ROLL CALL

President Carter welcomed everyone to the meeting. He requested Executive Officer Punia to call the roll. All Board members were present except Vice President Teri Rie and Mike Villines, who arrived shortly.

2. APPROVAL OF MINUTES

Upon motion by Board Member Brown, seconded by Board Member Moffatt, the Board unanimously approved the Minutes for February 25, 2011.

3. APPROVAL OF AGENDA

Executive Officer Punia gave the following staff recommendations.

- Change the title on Item No. 7A, Permit No. 18609 from “San Joaquin County Resource Conservation District” to “Vino Farms.”
- Postpone Item 8A, Permit No. 9089-E – Jack Phelps.
- Remove Item 13, Closed Session, from the Agenda.
- Move the Informational Briefings to the morning session, time permitting.

Upon motion by Board Member Brown, seconded by Secretary Hodgkins, the Board unanimously approved the staff recommendations given above.

4. PUBLIC COMMENT – NONE

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

Mr. Bardini provided the following information.

- The snowpack is about 150% of average throughout the state. More importantly, the rainfall index is about 150%.
- Most reservoirs are at 80% of capacity. The remainder of that capacity is for managing the snowpack that remains in the Sierras.
- Recent cool weather has helped DWR to manage the flows and meter it out in a very managed way.
- This is turning out to be a very good year in terms of snowpack, temperatures, and demands. It could turn out to be a good water delivery year for many regions in the state.
- Staff has been to Washington, D.C. to advocate for flood management with the Office of Management and Budget (OMB), Army Corps of Engineers (Corps) leadership, and a number of congressional districts. There are difficult budgetary issues, at both the federal and the state levels. We can expect the next couple of years to be difficult for federal funding.

- Board Member Suarez inquired about the issue of fish passage in the Fremont Weir, recently in the news. Mr. Bardini responded that the issue is difficult in that certain species are able to get through the weir, but sturgeon like to stay low and don't like to jump over ladders. Staff hoped to do a small project that could address the entrapment issue and work within the existing infrastructure of the bypass.

Board Member Suarez and Secretary Hodgkins asserted that the Board was prepared to help in any way to move the issue forward.

Mr. Arrich reported on the status on the Central Valley Flood Protection Plan.

- During Phases 1 and 2, staff worked with stakeholders and interested parties to identify goals. The primary goal is to improve flood risk management, with supporting goals of improving Operations and Maintenance (O&M), promoting ecosystem functions, improving institutional support, and promoting multi-benefit projects.
- Phase 2 involved identifying and screening a wide array of management actions, including physical improvement such as levee improvements and modifications, new conveyance facilities, O&M improvements, habitat and ecosystem restoration-type actions, and floodplain management and residual risks.

The management actions involved much input from stakeholders, DWR staff, and consultants.

- In response to stakeholder feedback, staff refined the plan formulation approach to become more specific.
- The project has remained consistent in comparing alternative approaches, including: no action, achieving State Plan of Flood Control design capacity, protecting high risk communities, and enhancing flood system capacity.
- Within each of the approaches staff did a screening level analysis. Staff looked at the improvements that they could make to the system, the advantages and disadvantages, and costs of each.
- The intent is to find the best of all of them in terms of what makes sense for the system, what achieves Phase 1 goals, and what can be implemented over the long term to come up with a state system-wide investment approach.
- The state system-wide investment approach would be a solution set that would encompass the components of the other alternative approaches; achieve the goals from a system-wide perspective; include fully integrated conservation elements; and augment physical changes with policy and institutional changes or recommendations.
- Implementation of this approach will take a long time, so it will be brokent up into sequential phasing.
- Plan implementation will require sound investment strategies; local, state, and federal cost sharing guidelines; and a framework to assess system-wide projects

and benefits, as well as regional and local benefits. In addition, there will always be an element of residual risk management.

- The briefing schedule was listed.
- Documentation and reports were listed.

Mr. Bardini gave an update on alignment with the Corps.

- Regarding the FloodSAFE effort: the first breakdown level is a functional area, and there are seven major functional areas. Under those elements are about a hundred major components.
- The levels of alignment are:
 - Residual risk management.
 - Technical work.
 - Implementation.
 - Project-centered organization.
 - Integration.
 - Interaction.

Board Member Villines encouraged staff, with the Legislature in mind, to keep to report deadlines, and to brief key Legislature staff as the project progresses.

Mr. Matteoli briefed the Board on the 2010 Local Maintaining Agency (LMA) Annual Report.

- In terms of background: AB 156 had resulted in changes to the Water Code, and two of those changes created the program.
 - Section 9140 requires LMAs to submit information to the DWR relevant to the condition and performance of levees.
 - Section 9141 requires staff to summarize that information and report to the Board.
- The timeline was given for outreach and communication with LMAs as well as program developments and implementation.
- LMAs can enter the information through an electronic web reporting application developed by the California Data Exchange Center (CDEC).
- Individual profiles for the 89 agencies, a summary of metrics, and report distribution were given.
- Next steps are:
 - Redesign the report to reduce the number of pages.
 - Improve the user documentation for the web application
 - Work with functional area cross-coordination teams to further integrate DWR programs.

- Each LMA's duration of compliance was shown.
- Ms. Tasmin Eusuff addressed the problem of LMAs who do not report. She explained that when the legislation was enacted in DWR, there was no enforcement mechanism. Staff tries their best to outreach the LMAs with workshops and letters.

Secretary Hodgkins commented that the Water Code sections indicate that flood risks and maintenance problems are to be disclosed to the public. In that intent there's a responsibility given to DWR to make sure it adds to the reports from the local agencies anything that might help people understand how serious the flood risk is.

Mr. Bardini agreed, stating that with the flood system status report, information from inspections, etc., DWR has been building the system. LMA reporting will be the overall umbrella. As time goes on, the report will evolve to be the annual update that essentially keeps an updated flood system status report.

Mr. Bardini went on to say that every LMA is capitalized and organized at different levels. Each has a different ability to manage the system, or even a requirement like this. There will be tough discussions ahead on how to encourage each LMA to meet the requirements.

6. REPORT OF ACTIVITIES OF THE EXECUTIVE OFFICER

Executive Officer Punia reported on the following items.

- Mr. Martin Janolo has been hired as Enforcement Staff Engineer. He will do permits as well.
- The permit for RD 17 in the San Joaquin area still had some compliance issues. Staff from the Board, DWR, and RD 17 devised a plan to install piezometers to monitor seepage.
- Regarding the Bear Creek enforcement actions, staff set up two meetings in May with the local property owner's attorney, Mr. Michael Babitzke. Despite communication issues with Mr. Babitzke, Board staff is following the overall strategy to coordinate with the Corps and the property owners in hopes of reaching a consensus, rather than making this an enforcement issue.
- A CVFPB team led by Secretary Hodgkins is participating as a cooperating agency for the compliance of the San Joaquin River Restoration Program with the National Environment Policy Act (NEPA).

Secretary Hodgkins noted that in a meeting with the U.S. Bureau of Reclamation, a question arose about whether the salmon in the 4B reach are going to use the bypasses.

- As we are nearing the end of the fiscal year, staff is monitoring the budget closely. On the General Fund side, CVFPB is almost on track with our allotted amounts. On the bond-funded allocation, there will be a small amount left over.
- Additional cuts may be coming from the Department of Finance.

- Staff received the third draft of the Delta Plan and will participate in another Delta Stewardship Council workshop next week.
- Two staff members participated in the two-day tour of the Sacramento River Flood Control Project with former Division of Flood Management Division Chief Don Meixner. At the request of President Carter, Executive Officer Punia will notify the Board the next time this tour is scheduled.

Mr. Ali Porbaha gave a short update on the status of LMA compliance with the Corps project inspection report. Below are the main points.

- The Corps has performed periodic inspection (PI) and has released ten reports for the ten systems. They use color ratings to represent the different severity of the items they inspected. Five of the ten were in the inactive state. Three of these were deemed inactive but minimally acceptable and two were deemed active but unacceptable. Two systems have made corrections and are now active.
- A meeting is scheduled for May 10 at which all related LMAs, DWR, and the Corps will attend. The objectives are to create a paradigm of ownership for levee maintenance and to try to generate corrective action plans and schedules.

Mr. Eric Butler gave a synopsis of the permit applications backlog.

- The backlog of applications that have been in the system for awhile has been reduced by about 36% since August.
- About a dozen applications have recently been submitted and are being determined complete or not complete.
- About 22 applications were deemed incomplete. Staff is waiting to receive more information from the applicants.
- About 53 applications are either scheduled for a future Board meeting and have been delivered to the Corps, or are conditionally approved and are awaiting a Corps letter. The number of these applications has gone up 36% since February.
- Seven permits have been issued since the last meeting.
- Another enforcement staff member has recently been hired, who will take on the older applications that have enforcement issues.

President Carter observed that the Board and staff need to continue discussions with the Corps in terms of preparing informational packages of permits that don't require their review. We should not hold the process up for their approval when it's not within their jurisdiction.

Executive Officer Punia updated one more item:

- As requested by the Board, staff member Ms. Lorraine Pendlebury is working with Board Member Emma Suarez and President Ben Carter to develop the brochure on CVFPB. It is almost in the final stages.

7. CONSENT CALENDAR

Vice President Rie proposed minor changes in the wording of Item 7F.

Board Member Moffatt recused himself from Items 7B, 7C, 7D, and 7E.

President Carter asked about Item 7G with respect the agricultural leases. Ms. Alejandra Lopez of the Real Estate Branch explained that this particular lease is a renewal of lease: there's an existing lease with an option to renew, which excludes the possibility of other interested parties attempting to take over the lease.

A. Permit No. 18609, Vino Farms

Consider approval of Permit No.18609 to approve removal of non-native vegetation and plant 200 elderberry plants and associated riparian plants on 20-acres within the Mokelumne River Designated Floodway on the right bank of the Mokelumne River. (San Joaquin County)

B. Permit Application No. 18648-1, Pacific Gas and Electric Company

Consider approval of Permit No. 18648-1 to reconstruct a portion of the Palermo to East Nicolaus 115kV transmission line inside the Honcut Creek Floodway; remove existing towers; and authorize aerial crossings over the left (south) bank levee of Honcut Creek and east levee of Jack Slough. (Yuba County)

C. Permit Application No. 18648-2, Pacific Gas and Electric Company

Consider approval of Permit No. 18648-2 to reconstruct a portion of the Palermo to East Nicolaus 115kV transmission line consisting of an aerial crossing over the right (north) bank levee of the Yuba River. (Yuba County)

D. Permit Application No. 18648-3, Pacific Gas and Electric Company

Consider approval of Permit No. 18648-3 to reconstruct a portion of the Palermo to East Nicolaus 115kV transmission line. This portion of the project consists of removal and replacement of twelve (12) transmission towers and authorization of one (1) existing tower inside the Yuba River Designated Floodway. (Yuba County)

E. Permit Application No. 18648-4, Pacific Gas and Electric Company

Consider approval of Permit No. 18648-4 to reconstruct a portion of the Palermo to East Nicolaus 115kV transmission line along the landside levee toe of the Western Pacific Interceptor Channel (WPIC); and to authorize aerial crossings over the left (south) bank levee of the Yuba River, the right (west) bank levee of the WPIC, the right (north) bank levee of the Bear River, and the left (south) bank levee of Yankee Slough. (Yuba County)

F. Property Management – Mechoopda Indian Tribe of Chico Rancheria Grant of Easement

Consider approval of Resolution No. 11-12 to approve the conveyance of a nonexclusive easement from Sacramento and San Joaquin Drainage District to the Mechoopda Indian Tribe of Chico Rancheria and delegate to the Executive Officer the authority to execute the Easement Deed and any associated documents needed for this real estate transaction. (Glenn and Butte Counties)

G. Property Management- Manuel Basterrechea Agricultural Lease, 2010-3-RB, Colusa County

Consider approving the 5-year renewal option on Agricultural Lease 2010-3-RB located on Sacramento San Joaquin Drainage District property identified as Colusa County APN's 140-070-022, -054, -067 for Manuel Basterrechea by delegating the Executive Officer the authority to execute the renewal lease. (Colusa County)

Upon motion by Board Member Brown, seconded by Board Member Villines, the Board voted unanimously to approve the items on the Consent Calendar.

8. INFORMATIONAL BRIEFINGS

B. Title 23 Regulations – Tier II – Revisions to the Board’s Technical Standards

Mr. Dan Fua gave an overview of the revisions that staff was proposing. He had provided the Board with a copy of the first official administrative draft to the Revisions of Title 23.

- The draft was the result of a joint effort led by Board Member Emma Suarez and Secretary Butch Hodgkins. Also participating were a technical team that included CVFPB staff and DWR staff, and CVFPB staff legal counsel.
- Two years ago, staff had determined that the standards were old, having been adopted in 1996. They needed revision to reflect current industry and Corps standards and to implement 2007 and 2009 flood legislation.
- The first red-line strikeout draft was completed in December 2010. It was being reviewed by Mr. Rod Mayer of DWR and the Corps.
- The administrative draft had not been reviewed by any other group, public or private.
- Sections proposed for revision are:
 - Article 1, Section 3 – Intent
 - Article 2, Section 4 – Definitions
 - Article 3, Section 15 – Basis for Denial of Permit Application
 - Article 3, Section 16 – Permit Conditions
 - Article 5 - Designated Floodways
 - Article 6, Section 108 – Existing Encroachments
 - Article 8, multiple sections – the Board’s Regulatory Standards
- Major changes with policy implications:
 - Increasing the levee setback easement to 20 feet on the landside and 15 feet on the waterside. Current regulations only require 10 feet.
 - Section 108: applicability of future regulations to existing encroachments. The proposed amendment would ensure that owners of existing facilities are adequately compensated, if the Board determines that the existing encroachment is causing a major detrimental impact to the flood control system and needs to be removed.

The other revision would be if an existing facility is nonconforming and the Board determines that it does not have a major detrimental impact to the system, that it can continue to operate.

- If existing facilities are conforming, the Board would issue an automatic Board order or a permit to make the existing encroachments official.
- Section 123: pipelines, conduits, and utility lines would be required. These changes include annual pressure test, viedo testing every 5 years, prohibition of plastic pipe for levee penetrations and corrugated metal pipe in urban areas, and a permit expiration date. These changes are at the recommendation of the Corps.
- Prohibition of seasonal occupancy structures and adding”buildings used for public assembly” to definition of “dwellings” thus precluding restruants, churchs, and offices.
- Legal counsel and environmental scientists have investigated the applicability of CEQA to the proposed regulations, and both have concluded that they may not be exempt from CEQA. As a result, staff proposes to conduct an initial study when it is ready to draft the public draft of the proposed regulations.
- Next steps are:
 1. Receive Board feedback and comments.
 2. Generate a public draft incorporating Board comments.
 3. Prepare an initial study.
 4. Hold at least one stakeholder meeting beginning in July.
 5. Incorporate stakeholder comments.
 6. Produce a second public draft for Board approval.
 7. Send the draft to the Office of Administrative Law for formal public review and approval.
- Secretary Hodgkins stated that it’s important to understand that no one has necessarily endorsed specifically the technical presentation included in the draft. These are just issues that need to be addressed.
- He added that a significant policy implication would be to consider whether it is feasible to phase out the requirements set forth in Section 133 that allow houses to be built, in effect, in the river floodway over a period of time (i.e. the Garden Highway in Natomas and the Yuba River). They may be becoming a hydraulic impediment. The Corps is in favor of such a provision.
- Board Member Suarez brought forward other changes that would have policy implications.
 - Amending Section 2(d) to state that the division shall apply to the activities of the United States and its agencies to the extent allowed by the law.
 - Clarifying the definition of the adopted plan of flood control in the Board Regulations.
 - Clarifying the definitions of “encroachment” and “permit”.

- Adding explicit language to Section 9 giving the Executive Officer the authority to reject applications that do not comply with Title 23 and obviously would never meet Title 23.
- Adding language that clarifies what the Board needs to make in terms of findings before a variance of its standards can be granted.
- Amending Section 107(g) to provide criteria for when the Board will allow dwellings for human habitation within a designated floodway.

President Carter suggested that if Board members have additional comments, to give them to Mr. Fua and his team for incorporation into the next administrative draft.

Board Member Suarez noted that the section regarding how to manage and deal with existing encroachments is a very important one to consider changing. Ms. Deborah Smith added some further clarification on the issue of how the amendments apply to existing structures.

Board Member Brown noticed the suggestion that the State would be financially responsible for relocating encroachments that no longer comply with PL 84-99 funding, etc. This needs clarification.

Board Member Moffatt asked why, when the Corps vegetation standard is still in flux, the Regulations still reflect that standard. President Carter responded that we're adopting whatever standard the Corps adopts, perhaps with the expectation that we will be able to get some flexibility in that standard.

Secretary Hodgkins referred to the framework agreement between the Board, DWR, and the Corps, that states that no more trees or vegetation can be planted on the levee. The proposed change would reflect the understanding in the framework document.

Board Member Rie mentioned the references to the 200-year standard. DWR has been working for a few years on revised standards for the 200-year flood for urban levees. When they move that to regulation, it wouldn't make sense for DWR to have a separate set of regulations for the urban levees and CVFPB to have Title 23 regulations that have 200-year standards. Secretary Hodgkins replied that this same point had been discussed and would need to be revisited at some point in the future.

Board Member Rie also pointed out the proposal that the Board deny a permit application when the Corps recommends denial, or when the Board hasn't received a letter. But this is not consistent with Board practice – which has been to approve conditionally the permits until all other agency permits are obtained.

Ms. Smith noted that from a perspective of federal law, the Corps arguably has supreme jurisdiction over permits the Board reviews.

Secretary Hodgkins separated out two issues. If the Corps doesn't issue a letter, the Board doesn't have to refuse the permit. However, if the Corps refuses for reason to approve a permit, then that is valid reason for the Board not to grant the permit.

President Carter requested that they make another pass at this part of Section 15 (g) – Basis for Denial of Applications.

Board Member Suarez offered to put together a memo with Secretary Hodgkins, capturing the policy issues raised during this discussion, in addition to the ones Mr. Fua raised, so the Board can get a complete feel for the “hot potato” issues.

A. FloodSAFE Functional Area Cross Coordination briefing to show a conceptual approach for improving the sustainability of the existing flood control project with regards to operation and maintenance, inspections and repairs on a short and long term basis.

Mr. Don Rasmussen gave a presentation. With Mr. Keith Swanson, he has been leading the process called the Functional Area Cross Coordination Team. This cross coordination is part of the overall FloodSAFE California initiative. Highlights of the presentation are below.

- One of the FloodSAFE goals is to promote sustainability of the flood system.
- The FloodSAFE initiative takes a huge management effort to keep things organized. Its functional areas are:
 - Emergency Response, headed by Art Hinojosa of the DWR Hydrology and Flood Operations (HAFOO) Office.
 - Flood Management Planning and Conservation Strategy, headed by Jeremy Arrich.
 - Flood Risk Assessment, headed by Dan Whisman and Mike Inamine.
 - Evaluation and Flood Risk Reduction Projects, headed by Noel Lerner.
 - Floodplain Management, also headed by Dan Whisman.
 - Operation and Maintenance, headed by Keith Swanson.
- The last area, Operation and Maintenance, looks at levees, channels, and structures. The group is also going to be looking at developing a whole process of doing business across operation and maintenance, inspections, and repairs. If difficulties arise, the group either takes levees out of the system or takes them over.
- The mission for the sustainable flood system process under the FAXCT-5 effort is to develop and implement a comprehensive, fully integrated program for the operation and maintenance of flood protection systems throughout the state; and to provide long-term economic and environmental sustainability.
- Areas of focus are routine operation and maintenance, the inspections process, and residual risk management.

Board Member Brown pointed out that neither this study nor the previous one really takes into consideration water and soil conservation practices or needs. He felt that complete flood control management studies in the Sacramento and San Joaquin Valleys must consider water and soil conservation practices that affect the channelization and drainage system.

Secretary Hodgkins agreed, noting the need to get a foundation laid somehow in the future that expands our thinking into the watersheds, as well as what we need to do to

manage the watersheds to help flood control, water supply, and the environment. The State must step in and somehow do that.

President Carter also expressed concern that water/soil conservation are not being addressed in FloodSAFE. We are constantly focused on conveyance of water through the system, but we need to look at a more integrated approach.

9. HEARINGS AND DECISIONS

B. Permit Application No. 18528, Gary Hubl

Consider approval of Permit Application No. 18528 to authorize a 5,820-square-foot residence constructed with approximately 1900-square-feet of the structure partially encroaching the left (south) bank of the Kern River Designated Floodway at 5750 Alfred Harrell Highway in Bakersfield. (Kern County)

Mr. Gary Lemon gave the presentation. He began by describing how the newly built home was inadvertently constructed within the Kern River Designated Floodway (DF) boundary line on the proposed site plan drawing.

The county had done inspections over the course of the home's construction. During the final review and sign-off, they discovered that the previously approved site plan incorrectly showed the DF boundary as being to the river side of the home. The DF boundary actually went across the home, putting about a third of it into the DF.

Meyer Civil Engineering, a Bakersfield firm, was retained by the homeowner and prepared the permit application. Mr. Meyer had prepared a hydraulic analysis using the HEC-RAS hydraulic model.

Regrading was done between the home and the river, during which about 140 cubic yards of material from the floodway was removed.

Title 23, Section 107, read to the Board by Mr. Lemon, permits use in a designated floodway.

All hydraulic impacts due to the construction of the new home have been mitigated to a 0.0 water surface elevation rise for the hundred-year flood event.

Mr. Lemon read the comments from the Corps and the CEQA analysis.

Staff recommended that the Board adopt Resolution No. 11-13.

Mr. Lemon took questions from the Board. President Carter ascertained that should the residence flood sometime in the future, the homeowner would have no claim on the State.

Mr. Meyer described the course of events when Mr. Hubl called upon him for help. Mr. Hubl emphasized that he had never intended to do anything contrary to regulations.

The Board established that under Section 107, the circumstance was "abnormal" and unique. Ms. Smith counseled that the Board had some room to permit homes for human habitation so long as they could make the other findings required by that section, including the finding that in the judgment of the Board the structure would not duly impede the free flow of water in the floodway or jeopardize public safety.

Board Member Suarez stated that the unique circumstance here was the history behind the property, and the Resolution should reflect that. Mr. Butler noted that he and Mr.

Lemon had the capability to revise the Resolution printed out for Board signature subject to Board direction.

Upon motion by Board Member Brown, seconded by Board Member Moffatt, the Board voted to adopt Resolution No. 11-13. The motion carried with 6 ayes and 1 abstention.

10. MAINTENANCE AREA BUDGETS

President Carter stated that this item was to consider approval of the DWR proposed fiscal year 2011-12 maintenance area budget pursuant to Water Code Section 12878.

Mr. Keith Swanson presented the budget. He first explained the process.

1. DWR annually proposes a budget in advance in April.
2. The Board hears it and presumably approves it.
3. DWR passes the proposed costs to the county, proportionate to the county's parcel level.
4. The bills go out as part of the normal tax assessments.
5. The county collects the money and sends it to DWR.
6. At the end of the fiscal year, there's a reconciliation and surpluses or deficits are carried forward into the next year's budget.

DWR has already gone through this year's annual local notification process.

This year's proposed budget is \$2,691,500, about \$280,000 more than last year's budget. DWR is proposing increases in six of the ten maintenance areas. Actually 90% of the proposed increase, or \$250,000, is for Maintenance Area 9. All the increases are associated with efforts to do a better job in encroachment management.

Maintenance Area 9, the Pocket Area, will have a concentrated effort. With Board help, DWR will begin to start dealing with enforcement of permitted and non-permitted encroachments.

President Carter asked about the sedimentation and vegetation issue at Cherokee Canal. Mr. Swanson replied that DWR has designed a potential project with a cost of about \$12 million to remove sediment on about a 3½ mile section of Cherokee Canal. However, even with that expenditure, the canal cannot pass the design flows. There are also ideas being floated about a potential bypass to take water off the Feather River during a huge storm event.

Board Member Moffatt commented that much of the LMA funding seems to go toward vegetation control. Mr. Swanson responded that the Corps had a major change in policy a couple of years ago. Since then DWR has done much more work on trimming and thinning vegetation than it ever historically did.

Upon motion by Vice President Rie, seconded by Secretary Hodgkins, the Board voted unanimously to approve the maintenance area budget for 2011-12.

11. BOARD COMMENTS AND TASK LEADER REPORTS

- Board Member Villines stated that he had met with Executive Director Campbell Ingram of the Delta Conservancy. He has been focusing on the issues of that organization. He will serve on working groups being created in the next few weeks, in order to advocate Board interests.

He had gone on a water tour of the Suisun Bay during which he had spoken with John Laird, Secretary of Natural Resources.

- Board Member Suarez had worked on the Tier II Revisions to the Board's Technical Standards per Agenda Item No. 8B.
- Secretary Hodgkins had worked on the same project.

He attended a presentation made at the Roundtable by SAFCA of some experimental work they've been doing to establish turf on the levees.

He is going to serve on a committee to help define 200-year flood protection for the urban areas.

- Vice President Rie had received the newly-published Delta Plan for review.

She was asked by DWR to participate in the Right-of-Way Committee for urban levee standards.

- Board Member Brown had gone on the aerial tour of the Sacramento Valley.

He had made a presentation to the Industrial College of the Armed Forces (ICAF) in Colusa.

- Board Member Moffatt had worked with Secretary Hodgkins and Mr. Fua on getting the letter back to DWR regarding becoming a cooperating agency.

He also participated with Secretary Hodgkins, Mr. Fua, and Mr. Marino with DWR and the U.S. Bureau to get a better idea of what Board involvement would entail.

- President Carter had accompanied Ms. Lani Arena, Mr. Rod Mayer, and Mr. Ward Tabor of DWR on their spring project advocacy group tour to Washington D.C..

While in Washington he had talked with General Van Antwerp and General Grisoli of the Corps, regarding his concerns about the Corps not honoring the agreements within the framework – specifically, giving the State some breathing room with respect to the vegetation standards as agreed upon in the framework. He may have made some progress; more discussions will follow. He also talked about Corps involvement in the Central Valley Flood Protection Plan.

He and the DWR group had met with 22 different legislative staff groups and three representatives over the course of four days. They discussed the Water Resources Development Act (WRDA). Both parties felt that WRDA was an earmark. They have no earmark commitment, and yet all of them want something like WRDA.

The 22 representatives and their staffs actually showed a broader knowledge on the vegetation issue than President Carter had expected. They are anxious to try to get some sort of collaborative solution.

President Carter commended the DWR group on the outstanding job they had done preparing the materials and presenting the information to the legislators.

Through the California Agricultural Leadership Program, Benden Farms has hosted the ICAF for the last four years in Colusa, as mentioned by Board Member Brown, who had joined a panel of four to talk about water and flood issues. The group said they would take the issues back and share them with those they come in contact with.

The Roundtable is meeting on May 19. The Steering Committee has been having almost weekly conference calls.

12. FUTURE AGENDA

The Board agreed that on Thursday, May 26 they would have a business meeting. On Friday, May 27 they would have a morning tour of Folsom Dam.

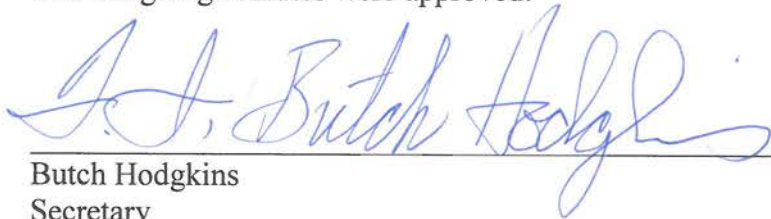
13. ADJOURN

President Carter thanked the Board and staff. Several agenda items had been projects they had been working on. It seemed that they had turned a corner in making real progress on managing the permit process, and the Tier II Regulations were progressing well also.

President Carter adjourned the meeting at 2:41 p.m.

Dated: June 24, 2011

The foregoing Minutes were approved:


Butch Hodgkins
Secretary


Benjamin F. Carter
President