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**OVERSIGHT HEARING:
Assembly Water, Parks and Wildlife Committee**

**Tuesday, May 10, 2011
State Capitol, Room 437
9:00 a.m.**

**DELTA GOVERNANCE AND DELTA PLAN
PROGRESS AND UPDATE**

Background

The Sacramento–San Joaquin River Delta is a natural resource of hemispheric importance. The Delta ecosystem is the largest brackish estuarine marsh on the west coast and the most valuable estuary on the west coast of North or South America. Created by the confluence of the Sacramento and San Joaquin rivers as they flow into San Francisco Bay from the north and south, respectively, the estuary is a maze of tributaries, sloughs, and islands. The Delta ecosystem, the largest wetland habitat in the western United States, supports more than 750 wildlife species and more than 120 species of fish, as well as one of the state’s largest commercial and recreational fisheries. The Delta estuary also provides migration corridors for two-thirds of the state’s salmon and nearly half of the waterfowl and shorebirds along the Pacific flyway.

The Delta also serves as the heart and a critical crossroads of California’s water supply and delivery structure. California’s precipitation falls predominantly north and upstream of the Delta, whereas much of the state’s urban and agricultural water uses occur south of the Delta. The state’s two major water projects, the federal Central Valley Project and California’s State Water Project, store water in major reservoirs upstream of the Delta, convey water through the Delta, and export the Delta’s water south from project pumps in the south Delta. As the water flows from the Sierra toward the Delta, cities and farmers draw water from the system.

The Delta’s value as an ecological resource and its role in meeting California’s water supply needs have resulted in inherent conflict. The disparate functions and values of the Delta and the competing demands for its resources have long been sources of bitter conflicts and profound challenges for stakeholders and policy makers. These interests have engaged in conflict for decades.

Delta Vision and Delta Governance

In 2006, the Legislature and Governor Schwarzenegger initiated a process to develop a new long-term vision for the Delta called "Delta Vision." SB 1574 (Kuehl) required a cabinet committee to present recommendations for this vision while the Governor created a Delta Vision "Blue-Ribbon Task Force" to advise the cabinet committee. After delivery of the Delta Vision recommendations, the Legislature held informational hearings from Delta experts, Task Force members, and the Schwarzenegger Administration, as well as the public at large, and engaged in vigorous water policy discussions. These discussions culminated in several legislative proposals. But when the Legislature adjourned in 2009 without adopting any of those proposals, Governor Schwarzenegger called the 7th Extraordinary Session to address pending water issues. That Session culminated in the signing of a five-bill package.¹

SB 1 X7

One of the keystones of the historic water package of legislation was SB 1 (Simitian), which reformed Delta policy and governance. SB 1 X7's central provisions:

- Established a new legal framework for Delta management, emphasizing the coequal goals of "providing a more reliable water supply for California and protecting, restoring, and enhancing the Delta ecosystem" as foundation for state decisions as to Delta management. Codified that the co-equal goals are to be achieved in a manner that "protects and enhances the unique cultural, recreational, natural resource, and agricultural values of the Delta as an evolving place."
- Created the Delta Stewardship Council (Council) as an independent state agency.
 - Established a 7-member Council, with four appointments by the Governor, two by the Legislature, and the chair of the Delta Protection Commission, with staggered terms.
 - Specified the authority of the Council, including appeals of state/local agency determinations of consistency with Delta Plan.
 - Repealed the CALFED Bay-Delta Authority Act and transferred existing staff, contracts, etc. to the Council.
(<http://www.deltacouncil.ca.gov/>.)
- Created the Delta Independent Science Board (Delta ISB) and Delta Science Program.
 - Delta ISB members are appointed by the Council.
 - The Delta ISB replaces the previous CALFED Independent Science Board.
(<http://www.deltacouncil.ca.gov/delta-independent-science-board>.)

¹ The other bills from the 2009-10 Seventh Extraordinary Session and their primary policy areas are: SB 2 (Cogdill), The Safe Clean, and Reliable Drinking Water Supply Act of 2010 (a water bond which is now on the 2012 ballot); SB 6 (Steinberg) regarding groundwater elevation monitoring, which is now being implemented by the Department of Water Resources through the California Statewide Groundwater Elevation Monitoring Program; SB 7 (Steinberg) requiring water conservation, which mandates a 20% per capita reduction in urban water use by 2020; and SB 8 (Steinberg) concerning water diversion and use reporting.

- Required the Council to develop, adopt, and commence implementation of the "Delta Plan" by January 1, 2012, with a report to the Legislature by March 31, 2012. The Delta plan is to:
 - Further the coequal goals.
 - Promote statewide water conservation, efficiency, and sustainability as well as improvements to water conveyance/storage and operation of both to achieve the coequal goals.
 - Attempt to reduce risks to people, property, and state interests in the Delta by promoting effective emergency preparedness, appropriate land uses, and strategic levee investments.
(<http://www.deltacouncil.ca.gov/delta-plan.>)

- Required the Council to consider including the Bay Delta Conservation Plan (BDCP) in the Delta Plan and makes the BDCP eligible for state funding if:
 - The BDCP complies with Natural Community Conservation Planning Act.
 - The BDCP complies with the California Environmental Quality Act and includes a full range of alternatives, including a reasonable range of flow criteria, rates of diversion, and other operational criteria.
 - DWR consults with the Council and Delta ISB during BDCP development.
 - The BDCP incorporates a transparent, real-time, decision-making process for operation of State and Federal Delta water project facilities in which the Department of Fish and Game (DFG), U.S. Fish and Wildlife Service, and National Marine Fisheries Service ensure that applicable biological performance measures are achieved in a timely manner.
(<http://bdcweb.com/Home.aspx.>)

- Reconstituted and redefined the Delta Protection Commission (DPC) to increase the role of local representation and to expand its role in Delta economic sustainability.
 - Required the DPC to create a regional Economic Sustainability Plan (ESP), including creation of a Delta Investment Fund in the State Treasury.
 - Required the ESP to inform the Delta Plan.
 - Required the DPC to submit recommendations regarding potential expansion of or change to the Delta's primary zone to the Legislature.
([http://www.delta.ca.gov/.](http://www.delta.ca.gov/))

- Created a new Sacramento-San Joaquin Delta Conservancy (Conservancy), to support efforts that advance environmental protection and the economic well-being of Delta residents.
 - Focused the Conservancy's efforts on collaborative projects in the Delta and Suisun Marsh.
 - Required the Conservancy to develop a strategic plan consistent with the Delta Plan and other applicable regional plans affecting the Delta or Suisun Marsh.
 - Established the Sacramento-San Joaquin Delta Conservancy Fund in the State Treasury.
([http://www.deltaconservancy.ca.gov/.](http://www.deltaconservancy.ca.gov/))

In addition, SB 1 X7:

- Required the State Water Resources Control Board (SWRCB), by August 12, 2010, to develop new flow criteria for the Delta ecosystem necessary to protect public trust resources. (*Report completed August 3, 2010.*
http://www.waterboards.ca.gov/waterrights/water_issues/programs/bay_delta/delta_flow/)
- Required DFG, by November 12, 2010, to develop and recommend to the SWRCB flow criteria and quantifiable biological objectives for aquatic and terrestrial species. (*Report Completed November 23, 2010.*
http://www.dfg.ca.gov/water/water_rights_docs.html)

Current Status of Delta Efforts and Focus of this Hearing

At this oversight hearing the Committee, together with other members of the Legislature, Legislative staff, and the public, will receive an overview from Mr. John Laird, the Natural Resources Agency Secretary, regarding the State's current Delta efforts. Following the Natural Resources Agency Secretary will be a panel presentation by Natural Resources Agency Deputy Secretary Jerry Meral, Delta Stewardship Council Chair Phil Isenberg, Delta Protection Commission Executive Director Michael Machado, and Delta Conservancy Executive Officer Campbell Ingram.

The panel presentation will provide a status and update on these various Delta processes and how they interrelate. For example, on April 22, 2011 the Council released its third staff draft of the Delta Plan. In May staff intend to release a fourth draft of the Delta Plan for modification and approval by the Council and thereafter to be circulated with the Draft Environmental Impact Report for the Delta Plan. On April 25, 2011, the Natural Resources Agency hosted a public meeting for stakeholders and other interested persons to discuss the challenges which need to be addressed in order to move BDCP forward and some changes to the process being implemented by the new State Administration. On May 2, 2011 the Conservancy held a meeting of its Strategic Plan and Policy Subcommittee. And previously, on December 6, 2010, the Commission released its Framework for the ESP, which is to inform the Delta Plan. The Committee anticipates hearing about these efforts and more.