DELTA STEWARDSHIP COUNCIL
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May 17, 2012

Campbell Ingram, Executive Officer
Sacramento-San Joaquin Delta Conservancy
3500 Industrial Blvd., 2nd Floor
West Sacramento, CA 95691

Dear Mr. Ingram:

First, on behalf of the Delta Stewardship Council (Council) let me congratulate you, the Delta Conservancy Board and staff on completion of the draft strategic plan for the Sacramento-San Joaquin Delta Conservancy (Delta Conservancy). This is a substantial achievement for the Delta Conservancy and once finalized, lays the foundation for a successful future.

As you are aware, in 2009 the California Legislature created the Council to play a synthesizing and coordinating role among the many agencies and interest groups that have a stake in the Delta's future. The Council was also tasked with developing the Delta Plan. The Delta Plan, once adopted by the Council, will be an enforceable plan to achieve the coequal goals of providing a more reliable water supply for California and protecting, restoring, and enhancing the Delta ecosystem. The coequal 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. As you know, Public Resources Code Section 32376 requires the Delta Conservancy's strategic plan to be consistent with the Delta Plan.

With that in mind, we have reviewed the Delta Conservancy's draft strategic plan with an eye to its consistency with the final staff draft Delta Plan (which was released on May 14, 2012). Though the Delta Plan has not yet been adopted, were the current final staff draft Delta Plan in effect, our initial analysis is that the Delta Conservancy's draft strategic plan would be consistent with it. The Delta Conservancy can play a key role in implementing the Delta Plan through its programs and projects. The final staff draft Delta Plan, for example, proposes that the Delta Conservancy serve as a member of the Interagency Implementation Committee (which will be established by the Council after the Delta Plan is adopted; see Water Code Section 85204), and carry out recommendations of the Delta Plan specific to the Delta Conservancy's programs.

As you finalize the strategic plan, we encourage you to avoid duplicating efforts already undertaken by other government agencies and entities in the Delta. Instead, the Delta Conservancy should work together with these agencies, building upon work done by others and identifying gaps in others' functions or activities that the Delta Conservancy's programs

could address. Specific examples of these activities are provided in the attached comments and recommendations.

During this formative period in the Delta Conservancy's development, it will be vital for the Delta Conservancy to serve as a facilitator for actions to protect and restore the Delta's ecosystem or enhance economic development in the region. Such a focus in the next few years could build internal capacity, expertise and resources that would prepare the Delta Conservancy to assume leadership roles, such as those described in the plan's Goals 2, 3, and 4.

As we reach completion and adoption of the Delta Plan and begin our efforts to implement the Plan it will be critical for our two agencies to work closely together. We look forward to working with you and your staff to ensure continued consistency between the Delta Conservancy's strategic plan and the Delta Plan, and that the two plans are complementary in nature and serve to achieve the coequal goals.

If you have any questions, please contact Cindy Messer at (916) 455-0258 or cmesser@DeltaCouncil.ca.gov.

Sincerely,

P. Joseph Grindstaff
Executive Officer

Attachment

The following are detailed comments regarding areas in the Delta Conservancy's draft strategic plan that are consistent with the final staff draft Delta Plan.

Ecosystem Restoration Approach and Actions

- We appreciated the approach to ecosystem restoration (Goal 3, page 40) the Delta Conservancy will utilize. This approach includes incorporating landscape level elements in project design, creating connectivity between restoration sites, addressing multiple stressors and threats and the importance of flow in restoration. This is consistent with the approach the Council is taking and describes in the "Protect, Enhance and Restore the Delta Ecosystem" chapter in the staff draft Delta Plan. A coordinated effort between the Delta Conservancy, other restoration agencies and the Delta Stewardship Council would further enhance these efforts and increase likelihood of success for restoration projects.

- A working group of restoration agencies and nonprofits such as the proposed Delta Restoration Network is a good concept in which the Delta Conservancy as a primary State agency for ecosystem restoration in the Delta (Public Resources Code 32322(a), should play an important role. This group should include representatives from the Department of Fish and Game, Department of Water Resources, Bay-Delta Conservation Plan implementers and the Delta Stewardship Council, as well as other restoration organizations. This working group could be a subcommittee of the Delta Plan's Interagency Implementation Committee, could function as an extension of the San Francisco Bay Joint Venture, or might build off other collaborative efforts in the region. As described in the Delta Conservancy's draft strategic plan, this group can help to ensure effective and ongoing coordination and communication between agencies, minimize duplication of effort, and provide an opportunity to share resources and information.

- Development of a "habitat credit program" as described in the draft strategic plan (Strategy 3.1.6, page 42) could boost ecosystem restoration efforts. The draft Delta Plan recommends that Delta Conservancy investigate habitat credit agreements to provide credit for: (1) acquisition for future restoration; (2) preservation, management, and enhancement of existing habitat; (3) restoration of habitat; and (4) monitoring and evaluation of habitat restoration projects.

- We appreciate the commitment to use adaptive management in restoration projects (Strategy 3.2.7, page 43). As you know, the Delta Plan requires it for water supply reliability and ecosystem restoration projects (Water Resources Code 85308(f) and 85052). The Council is committed to this approach and encourages you to promote the adaptive management process outlined in the staff draft Delta Plan. Delta Science Program staff will work with restoration agencies to develop and implement their adaptive management plans.

Preserving Agricultural, Cultural, Historical and Natural Resources in the Delta

- Throughout the draft strategic plan, the Delta Conservancy's commitment to protecting and preserving the Delta's unique qualities, its economy based on agriculture, its Legacy Communities and its history is evident. These objectives and strategies are consistent with policies and recommendations included in the final staff Draft Delta.

- The Delta Conservancy's commitment to targeting public lands or those available for acquisition by willing sellers for ecosystem restoration and increased recreation opportunities. The draft Delta Plan recommends a similar approach when those sites are suitable for projects' purposes and available at fair prices. The draft strategic plan contains goals and objectives for enhancing wildlife friendly farming practices that .are consistent with the draft Delta Plan.

- The final staff draft Delta Plan recommends local governments, in cooperation with the Delta Protection Commission and Delta Conservancy, prepare plans for each Legacy Community that emphasize its distinctive character, encourage historic preservation, identify opportunities to encourage tourism, serve surrounding lands, or develop other appropriate uses, and reduce flood risks, as recommended in Chapter 10 of DPC's ESP. This will be a valuable exercise that is consistent with the mission, goals and objectives of the Delta Conservancy.

Enhancing Recreation Opportunities in the Delta

- Under statute, the Delta Conservancy is required to "increase opportunities for recreation and tourism in the Delta" (Public Resources Code 32322 (b)(3)). The draft strategic plan provides solid objectives and strategies for achieving this. This is consistent with several of the recommendations in the "Delta As Evolving Place" chapter in the draft Delta Plan.

Designation of the Delta as a National Heritage Area

- The draft strategic plan describes a collaborative effort with the Delta Protection Commission (DPC) to help achieve a National Heritage Area designation for the Delta. The Council is supports this designation and recommends it in the final staff draft Delta Plan.

Water Quality Protection

- Protecting water quality in the Delta for beneficial uses is clearly stated as an objective for projects undertaken by the Delta Conservancy. This is consistent with recommendations in the final staff draft Delta Plan.

The following are recommended actions for further achieving the coequal goals.

Delta Conservancy's Role

- In these times of tight budgets and workloads that overstretch agencies' staffs, the Delta Conservancy should avoid duplicating other agency's efforts related to ecosystem restoration, economic development and finance planning. Rather, the Delta Conservancy should identify existing programs of other agencies on which it can build, partnering with others as it develops the Delta Conservancy's capacity and expertise over time.

  In the draft strategic plan, examples of efforts that may be duplicative or premature include:

  a. Development of the Delta Restoration Network, its role in developing landscape-level conceptual models and planning for landscape-level determination of restoration opportunities. These are efforts that are currently addressed by the draft Delta Plan, Delta Science Program, will be addressed in the Delta Science Plan, are included in the BDCP, or working groups within other restoration agencies.

  b. The role of an Independent Technical Advisory Board responsible for gathering and communicating scientific information should be evaluated against existing programs such as the Delta Science Program, Interagency Ecological Program and others to determine whether there are gaps that the Delta Conservancy needs to fill.

  c. Development of an Economic Enhancement Task Force. This effort should be coordinated with DPC efforts.

  d. Development of a Delta Regional Finance Plan may likely duplicate the Council's development of a Finance Plan to implement the Delta Plan and plans to finance individual Delta restoration, flood management, or ecosystem restoration projects.

- While the draft strategic plan does an excellent job of describing close, collaborative working relationships with local government and local entities, it should also highlight key opportunities to work with other state agencies especially as it pertains to ecosystem restoration efforts, recreation and tourism, and economic development. This would bring a sense of balance regarding the Delta Conservancy's role in the Delta.

Ecosystem Restoration Approach and Actions

- Providing a clearinghouse for environmental restoration information could be a key function of the Delta Restoration Network. The Delta Conservancy could serve as a

coordinating entity for restoration information storage, exchange, and reporting that measures the performance of restoration efforts.

- The Delta Conservancy's commitment to fully mitigating all impacts associated with its programs and activities, as well as not undertaking projects from other planning efforts such as the BDCP that may not fully mitigate for impacts (page 30 and described in Goal 5, pages 49-51) may limit the Delta Conservancy's role in some essential Delta activities. An approach that requires consistency with local agricultural ordinances goes beyond the requirements of State law and may substantially increase project costs, making the Delta Conservancy a high cost provider of restoration activities. These provisions will limit the Delta Conservancy's role in the Delta.

- The Delta Conservancy should stay current on the development of the Delta Science Plan (described in the final staff draft Delta Plan) over the next few years as it will likely address activities under the Delta Conservancy's jurisdiction.

- Goal 4 (pages 46-48) proposes to "establish the Delta Conservancy as a leader in gathering and communicating scientific and practical information about the Delta ecosystem and economy", The Delta Conservancy should avoid duplicating efforts of the Delta Science Program. We recommend the Delta Conservancy consult with the Delta Science Program so that its Independent Technical Advisory Board (ITAB) as identified in Strategy 4.1.2, does not duplicate or conflict with the Delta Independent Science Board's duties, which are specified in Water Code Sec 85280, and to identify candidates with the scientific expertise the Delta Conservancy seeks.

- Revise the wording in Strategy 4.1.4 (page 47) to state "Establish and maintain an effective working relationship with the Delta Science Program as an authoritative source for Delta science and encourage their focus on identification of relevant local knowledge and opportunities for its integration into decision making along with more traditional expertise."

- As recommended in the final staff draft Delta Plan, the Delta Conservancy as part of its strategic plan and in subsequent implementation plans should:

  a) Develop and adopt processes for ownership and long-term operations and management of land in the Delta and Suisun Marsh acquired for conservation or restoration.

  b) Develop and adopt a formal mutual agreement with the Department of Water Resources, Department of Fish Game, federal interests, and other State and local agencies on implementation of ecosystem restoration in the Delta and Suisun Marsh.

c) Develop a strategy to partner with the Department of Fish and Game and the Fish and Wildlife Service to develop rules for voluntary Safe Harbor agreements with property owners in the Delta whose actions contribute to the recovery of listed threatened or endangered species.

- In addition to investigating opportunities for restoration, public access, increased recreation and tourism, and education and interpretation activities on agricultural lands, the Delta Conservancy should also look at urban sites (i.e. Stockton) and suburban Delta shoreline areas (i.e. Contra Costa county shoreline) for implementing these types of activities. Improving recreation and access in these areas is recommended by both the DPC's *Economic Sustainability Plan* and State Parks' *Delta Recreation Proposal.* Shoreline access in these areas is often lacking, preventing local residents from enjoying or learning about the Delta's natural and recreational assets.

- The scope of potential partners for Strategy 6.3.4 (page 54) should be increased to include farmers who are tenants as well as those who own land.

- Clarification is needed for Strategy 3.2.4 "Optimize the value of flooded deep island for aquatic species, as well as for recreation, tourism and water quality". Which islands are included in this? How will owners of flooded islands, including State Parks, the Department of Water resources, or Department of Fish and Game, be involved in these efforts?

<u>Economic Development Actions for the Delta</u>

- We appreciate the extent to which the Delta Conservancy has acknowledged the need for coordination of economic activities for the Delta using the DPC's *Economic Sustainability Plan* as the guide for these activities, as provided in Public Resources Code 32360(b)(3). We look forward to a better understanding of what is needed, of what the DPC is doing, plans to do and which activities they are interested in partnering with the Delta Conservancy on.

- Strategy 2.3.2 (page 37) should be revised to emphasize streamlining and understanding existing regulatory requirements, rather than "reducing" them. Possible revised text could state "Assist in addressing streamlining and understanding existing regulatory requirements that often serve as barriers to siting of agricultural processing facilities for low-impact recreational facilities within Delta floodplains."

- The final staff draft Delta Plan recommends that the Delta Conservancy, in conjunction with the California Air Resources Board (CARB) and the Delta Council, should investigate the opportunity for the development of a carbon market whereby Delta farmers could receive credit for carbon sequestration by reducing subsidence and growing native marsh and wetland plants. This investigation should include the potential

for developing offset protocols applicable to these types of plants for subsequent adoption by the CARB.

Funding Strategies

- The Delta Conservancy's draft strategic plan describes development of a near term "Delta Regional Finance Plan" to include near term actions and priority projects for the Delta and potential funding sources that could be available to fund such projects. As you know, the Council will be developing a Finance Plan for implementation of the Delta Plan. The Delta Conservancy's effort should be coordinated with the Council to discuss the scope and ultimate purpose of the Delta Conservancy's finance plan and to avoid duplication of effort.

- Under both "low funding" scenarios (Stage 1, scenarios A and B, page 65-66), the Delta Conservancy should develop a strategy investigating its potential role in projects that implement the Biological Opinions' requirements for restoring 8,000 acres in the Delta and Suisun Marsh, as well as flood management projects already planned for and likely to move with existing fund sources regardless of the status or outcome of the BDCP, Water Bond, or other planning or finding efforts. The Delta Conservancy should play a role in helping to ensure that limited funding is spent wisely and effectively on required restoration projects.