



FRIENDS OF THE SAN FRANCISCO ESTUARY ANNUAL REPORT

FY 2016-2017

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Letter from the President

Adequate water flowing through the Estuary is important to its health. The State Water Resources Control Board is in the process of determining the amount that should be flowing through the Estuary by updating the Bay-Delta Water Quality Control Plan. This is an important decision that will have far ranging implications and the State Board should make sure it has gathered and considered all appropriate information before making that historic decision. This determination on flows should not be made until the State Board understands the economic importance flows plays in the Estuary. Specifically, the State Board should commission an economic study and analyze the impacts various flow regimes will have on the environment.

We live in a market driven society and rely on economic comparisons of various uses or sectors when making decisions. Economic analysis of many sectors, such as agriculture and drinking water, is relatively easy as their services are measured in the market place. The same is not true of environmental services, and since they cannot be readily measured in the market place they are often overlooked and not considered. The State Board needs to understand the value of water and all its uses, including environmental uses, to make a properly informed decision.

To that end, Friends of the San Francisco Estuary began an effort to develop an economic study to value the ecosystem services and benefits of freshwater flows through the Estuary. We spent a year defining the need and scope for the project. The project turned out to be broader than anticipated so we staged our approach by first examining, through a comprehensive review, the many different approaches of evaluating ecosystem services to determine the best fit for our objectives. With funding from Craigslist Foundation, we hired Caitriona Smyth, a University of California at Berkeley graduate with a background in environmental economics. Caitriona first completed a literature review of economic studies that had explored valuation of ecosystem services, analyzed the methodology used, and determined its applicability to our project. Then she drafted a report outlining our options, "Economic Valuation Strategies for Instream Flows: Review and Recommendation". We intend to forward this report to the State Board for their use and request they commission a full

LETTER FROM THE PRESIDENT

economic valuation study of ecosystem services as it relates to the Water Plan update. Ecosystem services of freshwater flows must be fairly compared to other uses in the debate on how much water should be flowing through the Estuary.

If you support the work we do and would like to help please call us or consider going to our website and making a donation.

Thank you,

A handwritten signature in blue ink, appearing to read "Mitch Avalon", with a long horizontal flourish extending to the right.

Mitch Avalon, President

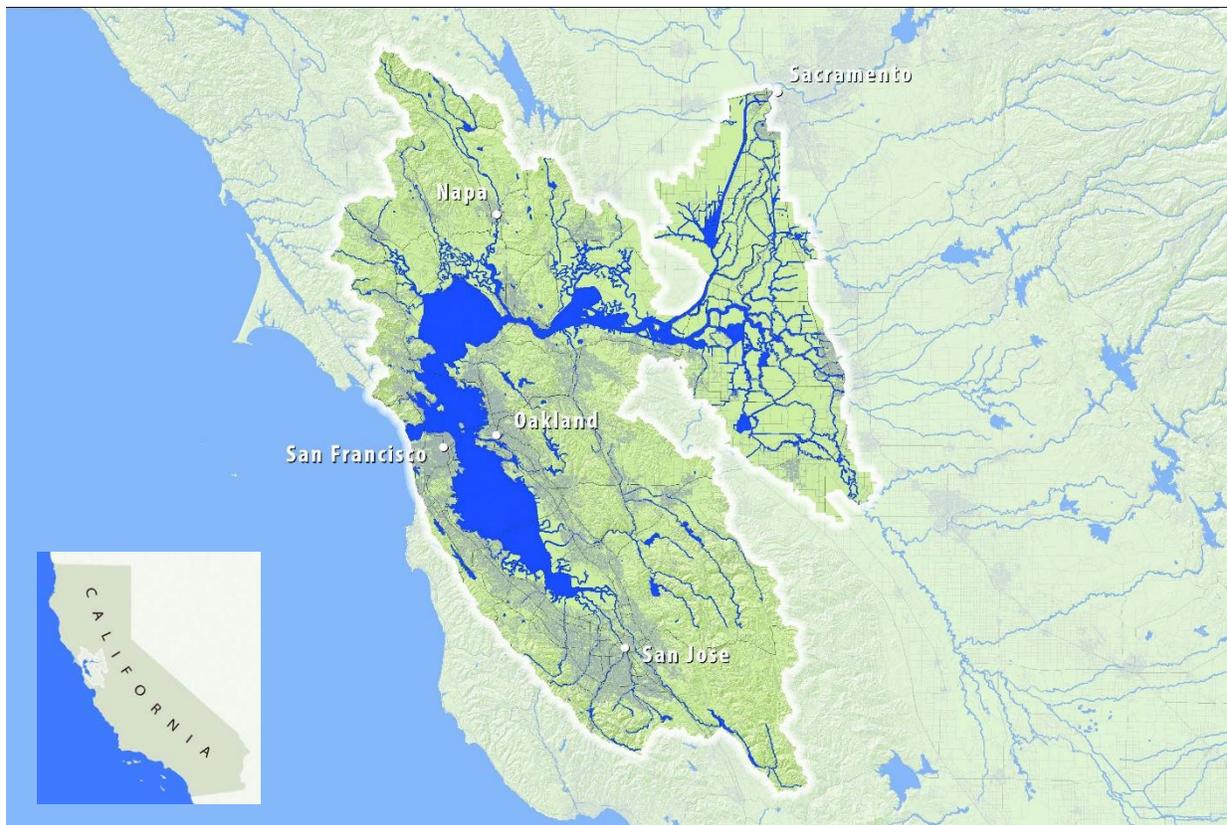
November 2017

THE SAN FRANCISCO BAY-DELTA ESTUARY

The San Francisco Bay–Delta Estuary

The San Francisco Bay–Delta Estuary is a rich and treasured resource. It is the largest estuarine system on the west coast of North and South America and includes the waters of San Francisco Bay, San Pablo Bay, Suisun Bay and the Sacramento–San Joaquin River Delta.

The Estuary encompasses approximately 1,600 square miles, drains over 40 percent of California's land, provides drinking water to over 25 million Californians, and irrigates millions of acres of farmland and ranches. The Estuary's waters also enable residents of the nation's fifth-largest metropolitan region to pursue many activities, including shipping, fishing, recreation and commerce.



Friends of the San Francisco Estuary

Friends of the San Francisco Estuary (Friends) is a 501(c)(3) non-profit organization established by the San Francisco Estuary Partnership's Management Committee in 1991. Friends of the San Francisco Estuary is an affiliated but separate non-profit organization from the San Francisco Estuary Partnership.

Friends works to:

- Educate policymakers, legislators, and the public on the need for adequate freshwater flows to the San Francisco Estuary.
- Develop public involvement, education, communication, and advocacy programs.
- Promote citizen involvement in studying, restoring and managing a healthy Estuary.
- Develop and implement public education and involvement action plans.
- Develop a flexible, community-based framework for public involvement and education in all aspects of Estuary management.
- Serve as a watchdog and advocate for implementation of the Comprehensive Conservation and Management Plan (CCMP), now known as the Estuary Blueprint, updated by the San Francisco Estuary Partnership in fall 2016.

We have also collaborated with the San Francisco Estuary Partnership by:

- Promoting public review and involvement in overall Estuary Blueprint implementation;
- Encouraging dialogue between public and private interests on restoration of the Estuary;
- Sustaining public and political interest in Estuary Blueprint implementation;
- Monitoring and reporting on implementation results and performance of the Estuary Blueprint;
- Supporting the San Francisco Estuary Partnership's work programs and goals;
- Providing environmental education activities and materials to the public;
- Participating in on-the-ground habitat restoration partnerships and assisting other environmental organizations by acting as a fiduciary agent;
- Providing fiscal support for the San Francisco Estuary Partnership's State of the Estuary Conference;
- Presenting the Outstanding Environmental Project Awards at the biennial State of the Estuary Conference;

Helping sponsor ESTUARY NEWS.

FRIENDS OF THE SAN FRANCISCO ESTUARY

During the 2016–2017 Fiscal Year, at seven Board meetings, the Friends Board guided or undertook directly a variety of activities to further its goals. As in the previous three years, our primary focus was on a single overarching issue: To ensure adequate levels and appropriate timing of freshwater flows for the Estuary. This was done through our Freshwater Flows Program.

Freshwater Flows Program

SUMMARY

Friends of the San Francisco Estuary created a part-time Water Policy Specialist position in 2013 to develop and implement a communication program on freshwater flows through the San Francisco Bay-Delta Estuary. Together, the Friends Board of Directors and the Water Policy Specialist (Darcie Luce) developed a program focused on communication of the science of freshwater flows to key decision-makers, media, and community organizations in the Bay and Delta. Since its inception, the program has educated elected leaders and the public in current planning processes that will impact the management of freshwater flows through the Estuary. In FY 2016-2017, we built on the awareness generated by our freshwater flows resolutions to deepen the engagement of Bay Area decision-makers on the importance of a healthy Bay-Delta Estuary.

FY 2016-2017 PROGRAM HIGHLIGHTS

Freshwater Flows Resolutions

Work largely concluded on the freshwater flows resolutions during the 2016-2017 fiscal year. The final resolution in Santa Clara County passed on August 30, 2016, after almost two years of work by Friends. Santa Clara County was the seventh county out of nine Bay Area counties, and the eighth county in the entire Estuary, to pass a resolution, and Friends Board and staff determined that these successes had provided our intended political and educational benefit. To date, a total of 14 resolutions on the importance of freshwater flows and a healthy Bay-Delta Estuary have successfully passed in the region.

Delta Tour

As the result of our educational outreach to legislators and other elected officials, we discovered that many elected officials and staff in the Bay Area had never visited the Delta. Furthermore, most educational tours of the Delta do not take attendees out on a boat. We

FRESHWATER FLOWS PROGRAM

responded to this gap by planning a one-day tour of the Delta for elected officials, to be held in September 2017. This tour will take elected officials and legislative and policy staff out on the Delta by bus and boat, in the company of a number of recognized experts in Delta hydrology, biology, law, and policy.

Economic Study

The freshwater flows resolution process has revealed an information gap in the economic benefits that freshwater flows provide when managed for the protection of public trust resources. As a result, Friends undertook preliminary research to determine the value and most effective format of an economic study. Board members and the Water Policy Specialist reviewed relevant literature and interviewed natural resource economists, water policy experts, and others before deciding to conduct a more structured review with the assistance of an intern. The Economic Study Internship concluded in September 2016 with a thorough literature review and scope of work, available online, to define the study. Friends is currently seeking funding for the study.

Water Quality Control Plan Update Process

The actions of the State Water Resources Control Board (State Water Board) serve as the primary target of the Freshwater Flows Program. Through the program, Friends urges the State Water Board to establish, update, and uphold stronger regulatory standards in order to protect the benefits of freshwater flows in the Estuary. Currently, the State Water Board is undertaking updates to the San Francisco Bay–Sacramento/San Joaquin Delta Water Quality Control Plan, which has not been substantively updated since 1995. This multi-phase process will change regulatory standards for flows in the Sacramento and San Joaquin rivers, major tributaries in the watershed, and flows out of the Delta and into San Francisco Bay.

For the past few years, Friends has partnered with other environmental and conservation organizations, fishing and recreation groups, and concerned individuals to urge the State Water Board to establish updated regulatory standards that offer greater protection to our fish and wildlife and the Estuary ecosystem than current standards provide. In FY 2016–2017, we continued these partnerships, helping to lead a coalition of organizations and individuals to defend the proposal by the State Water Board to strengthen regulatory protections for the

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lower San Joaquin River and its tributaries. Along with our partners, we coordinated regular coalition calls, organized people to speak at public meetings during the 6-month comment period, met with legislators around the Bay Area, and encouraged the submission of comment letters. Our efforts resulted in the submission of key comment letters from elected officials at the Association of Bay Area Governments and from County Supervisors around the Bay Area, including Marin County, Contra Costa County, the City and County of San Francisco, and San Mateo County.

Other Outreach Activities

Friends partnered with other organizations on relevant outreach efforts throughout the year, including the following:

- Distributed The Bay Institute report on the impacts of reduced Delta outflows on San Francisco Bay, “The Freshwater-Starved Estuary,” in partnership with The Bay Institute and San Francisco Estuary Partnership.
- Participated in calls and meetings to inform and coordinate environmental coalition efforts.
- Continued educating new and returning Bay Area elected officials on the status of current planning efforts likely to affect the allocation of freshwater flows.
- Continued educating allied organizations and groups on opportunities for involvement in relevant planning processes.
- Released intermittent Water Policy Updates and Action Alerts via our mailing list.
- Continued to grow Friends’ online presence and social media program, including:
 - Facebook page – from 113 to 125 likes;
 - Twitter feed – from 434 to 554 followers;
 - Website – from 999 to 1,714 page views/day;
 - Instagram account grown from 0 to 146 followers.

BOARD ORGANIZATION ACTIVITIES

Board Organization Activities

Board Goals and Focus

Throughout this fiscal year the Board continued its focus on freshwater flows and, in particular, sought funding to retain our Freshwater Program staff. Longer-term goals still include improving our visibility among elected officials, working more closely with other NGOs, continuing to educate elected officials regarding the need for freshwater flows, and making better use of social media to spread our message.

Assessing Our Bylaws

Friends adopted its bylaws in 1994, shortly after the organization was established. Given the subsequent changes in the ways we communicate, review documents, and transact financial activities, the Board recognized the need to assess our bylaws. We started to review our bylaws in the previous fiscal year and in February 2017 adopted revised bylaws. The most significant revisions reduce the number of Directors to a range of 5-15, and enable the appointment of Associate Directors who can further Friends' goals with less time commitment.

Continuing Executive Committee Structure

The growth of our Freshwater Flows Program required changes in the Board's decision-making processes. In 2015 we established an Executive Committee to interact with our Program staff, comprised of our President, Secretary and Treasurer, which has worked closely with our staff throughout the 2016-17 fiscal year, primarily through weekly phone meetings. This has proven to be extremely effective, and we are able to provide feedback and guidance with very little delay. We will continue in this manner until the Board is expanded.

Board Expansion

The Board has recognized for the past couple of years the need to grow and to increase its diversity. As noted above, we believe the establishment of Associate Director positions will enable us to attract new Board members. In early 2017, we added two new Board members and we will continue to invigorate the Board until we have added several more members.

Financial Activities

The Board treasurer managed and provided oversight of all necessary organization transactions. We started the fiscal year with approximately \$38,408 in cash. In April 2017, we received an unsolicited \$20,000 grant from the Craigslist Charitable Fund and a \$3,000 grant from the Patagonia World Trout Grants Council. These grants, in addition to a previous grant from the Rose Foundation, enabled us to continue our Freshwater Flows Program. The Patagonia grant was earmarked specifically for our flows effort in the Delta.

In November and December 2016, Friends ran its first online crowdfunding campaign, “Freshwater Flowing Keeps the Bay-Delta Going!” This campaign, run through the Causevox platform, was our first foray into online fundraising. Board members and staff supported the campaign through Facebook posts, e-mail invitations, and phone calls. We set an ambitious goal of \$10,000, but our internal target was \$5,000, and we’re pleased to announce that 45 donors, including Board members, helped us meet that internal target! Together, we raised \$5,310 – enough to fund two months of the Freshwater Flows Program.

At the end of the fiscal year, we had approximately \$38,806 remaining in cash. As in our previous fiscal year, nearly all of the funds expended this year were on the Freshwater Flows Program.

CONTACT INFORMATION

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