

FINAL

Bay Area IRWMP Coordinating Committee

Agreements and Action Items from November 24, 2008 Meeting

1. Roll Call—Appointed FA representatives present

WS-WQ	WW-RW	FP-SW	Watershed	Other
Brad Sherwood, SCWA; Jean Gardner (CCWD); Molly Petrick (SFPUC)	Brian Campbell, EBMUD; Paula Kehoe, SFPUC	Mark Boucher, CCCFCD; Terri Fashing (Marin County FC&SW)	Harry Seraydarian, NBWA; Jennifer Krebs, SFEP; Melanie Denninger, SCC	Paul Helliker, Chair, MMWD;

Others present:

Jennifer Clary (Clean Water Action)
Pat Costello (City of Napa)
Deborah Elliot (Napa County)
Thomasin Grim (MMWD)
Tracy Hemmeter (SCVWD)
Mitch Avalon, CCCFCD;
Dale Hopkins (SF Bay RWQCB)
Carl Morrison (Morrison Assoc/SCWA, Z7, SCC)
David Nesmith (Environmental Water Caucus, EWC)
Elizabeth Patterson (Morrison & Associates)
Dick Quigley (Zone 7 Water)
Dave Richardson (RMC/CC)
Ann Riley (SF Bay RWQCB)
Joanne Siew (RMC)
Jayne Strommer, DDSD
Peter Vorster (The Bay Institute)
Stan Williams (Stan Williams Consulting)

2. Review agreements/action items from 10/27/08 meeting

Coordinating Committee Decision Process (Status Report)

- a. Mitch Avalon provided comments from the BAFPAA on the updated CC Decision Process for the CC's consideration:
 - **Voting outside regular meetings** - Voting outside of regular meetings, whether by email or phonecall or special meeting, should have the same noticing requirements as a regular meeting. For example, a vote could not occur without 72 hours advance notice of the item and a description of the vote to be taken circulated to all CC members.
 - **Agenda development** - Agendas should be developed to communicate the desired outcome of the agenda item. All action items should be located in a separate action section. Every agenda item should begin with a verb, such as approve, report, discuss, etc. That helps to explain the Committee's responsibility under that item. Information and discussion items should also be placed in a separate section on the agenda.

- **Tie Votes** - A tie vote would result in a non vote. A tie vote would require the CC to work with the functional areas more to develop more alignment and work more towards a consensus. The Chair and Vice-Chair would not be allowed to break a tie vote. If an item before the CC is so divisive that it is an even vote, then we need to consider and deliberate more collectively to bring us closer together.
 - **Quorum Definition** - This should be discussed by the full CC, but BAFPAA believes the minimum quorum should be at least one member from each functional area.
 - The CC consented to all above comments and in addition, suggested that the agenda should include the name of the lead person on an action item, and that the minimum quorum should be at least one primary or alternate member from each functional area for voting and consensus decisions.
- b. Jennifer Clary questioned if geographic/regional diversity and equity was being ensured in the voting process through the functional area representatives. Paul Helliker noted that the geographic basis of the IRWMP region has been defined but agreed that there should be a generalized statement indicating that there will be geographical, environmental, and social equity in the decision process. Jennifer Clary indicated that she would send some relevant language pertaining to equity to Paul Helliker.

Action Items:

- 1) Jennifer Clary to send Paul Helliker example language for generalized statement on equity.
- 2) RMC to update the decision process document per the listed changes that the CC agreed to.

3. State Budget and Legislative Issues

Information from DWR Workshop on IRWM/SWFM Grants and RAP Discussion

- a. **DWR Workshop “takeaways”**- Carl Morrison provided a summary of main “takeaway” points from the Nov 19 DWR Prop 84/1E Workshop (Attachment A).
- b. **Grant Cap** – The CC confirmed that the proposed expedited 1/9th Grant Cap for the Bay Area was \$15 million. It was also noted that if the grant was competitive, then the Bay Area IRWMP might not receive the full \$15 million amount. Tracy Hemmeter indicated that it would be useful to get some indication of the minimum grant amount.
- c. **Drought Priority** – Melanie Denninger noted that the current expedited round of funding would place preference on drought projects.
- d. **Climate Change** – Tracy Hemmeter noted that the incorporation of Climate Change into future plan standards will only apply to future funding rounds, and not the current expedited round. The round for Planning grants (\$30 million) is expected sometime in Spring/Summer 2009.
- e. **Prop 1E SWFM funding for Seismic Strengthening** – Melanie Denninger pointed out that projects in the Bay Area could have important seismic components, but may not be able to measure up to seismic projects in the delta, which has been the major focus of the legislation, unless it involves a Disadvantaged Community (DAC).
- f. **Prop 1E**– The full funding amount for Prop 1E is \$300 million, of which 50% is currently allocated. Carl Morrison confirmed that Prop 1E projects should be included in the IRWMP.
- g. **Prop 84 Eligibility** – There are two more funding cycles ahead. Availability of funding is expected in 2010 at the earliest. According to SBxx1, eligible applicants for funding include local government agencies, and non-profit organizations which can show they are affiliated with local agencies. Tracy Hemmeter pointed out that there have been non-

profits formed for the purpose of administering grants (JPAs – e.g. the Community Foundation in the Northern Santa Cruz IRWMP). The advantage of forming non-profits is that they can be more efficient to manage and operate, and have fewer liability issues, since they have a separate organizational (and financial) structure from the agency. Tracy Hemmeter will send out more information to the CC about the Community Foundation and Santa Cruz County's experience.

- h. **Eligible Projects** – These will be projects that are in the IRWMP at the time when the application is submitted. It will not be limited to projects that were included in the IRWMP as of September 2008, assuming that the projects are added in accordance with the procedures outlined in the IRWMP.
- i. **Funding for Implementation** – Jennifer Krebs mentioned that applications for implementation funding should build on the project's current funding approach and continue to build that case that got it funded in the first place. The application for implementation funding needs to be related to what funding has been allocated to the project so far to avoid concerns about double dipping.
- j. **Comments to DWR** – DWR is currently accepting comments on the Prop 1E and Prop 84 funding process.
- k. **Economic Stimulus for Infrastructure Projects** – Elizabeth Patterson indicated that as part of the Governor's Executive Order, there could be funding mechanisms set up to accelerate certain infrastructure projects ("to get them on the ground quicker"), and that more criteria and standards will be available in the next phase.

Action Items:

- 1) Tracy Hemmeter to circulate information to the CC on the formation of non-profits (e.g. the Community Foundation) for the administering of grants (*please see attachment*)

4. Region Acceptance Process

- a. Carl Morrison mentioned based on information from DWR sources that the RAP needs to be taken very seriously because if DWR was not satisfied with the Region's story for the RAP for the current funding cycle, then the Region's chances to access funding would be delayed to the next funding cycle.
- b. The CC noted that the local project selection and related decision-making process was not well-covered in the DWR workshops. Based on competitive requirements under Prop 84, it appears that the local project selection may be expected to go through a competitive process. The CC agreed that this is an area that needs to be developed for the Bay Area Region and explained to interested parties. The CC would notify DWR that it is ready for DWR's review of the local project selection process once input is obtained from the Functional Area groups.
- c. Elizabeth Patterson noted that water portfolios are now beginning to expand, and there has been a growing emphasis on demonstrating self-sufficiency in water supply in the legislation. It would be advantageous for Bay Area IRWMP projects to include or highlight the self-sufficiency components/benefits (e.g. water conservation) in the project applications. Peter Vorster provided examples of graywater use (expanded to a regional level) and use of non-traditional groundwater resources as being potential self-sufficiency alternatives.
- d. Tracy Hemmeter agreed that self-sufficiency was an important issue to consider in project applications for future funding rounds, but her understanding for the expedited round was that DWR is focusing mainly on whether the IRWMP is set up to accomplish the evaluation of self-sufficiency and other factors over the long-term
- e. Jennifer Clary questioned on how projects are adopted in the short-term, and if there was a process set up for the addition of projects (local and regional project selection). Thomasin Grim responded that the PnP developed and adopted a process a year ago, and will re-circulate that information to the CC.
- f. Melanie Denninger projected that the RAP review would occur in late February 2009, and projects applications to be due likely in June.

Subregional Process & Funding Allocation Approaches

- Thomasin Grim announced that the PnP is continuing to formalize the sub-regional process, and is developing an outline for a hypothetical local project selection process. She proposed that the PnP continue work on the local project selection process.
- Mitch Avalon requested for the addition of one more funding allocation option: 50-50 distribution between area and population.
- Paul Helliker questioned the FA representatives if they would want to go through the local project selection process to make decisions on projects at this point given that the amount of funding is small relative to the work that still needs to be done to create the subregional/local project selection process. Since the subregional process affects the basic governance structure of the IRWM region and therefore the RAP, he proposed to leave out the subregional process from the RAP review with DWR.
- Elizabeth Patterson noted that projects do not need to go through the subregional process at this point, but that agreement among parties on the subregional process remains important in the context of the RAP. She added that the development of the subregional local project selection approach was to create a rationale for identifying regional projects and also to provide support to the RAP.
- Harry Seraydarian indicated that the ranking system that was developed in the subregion approach would be useful for project identification. He also noted that the CC should continue work on defining the local project selection process.
- To facilitate DWR's acceptance of the subregional approach and local project selection process, Jennifer Clary suggested that the CC could look into the 2007 IRWMP review comments that are related and address them first based on the subregional process work that has been done to date.
- Elizabeth Patterson noted that the DWR was very open-minded to including new concepts in the RAP. Carl Morrison added that DWR could be impressed by the inclusion of a subregional / local project selection process since it suggests that a comprehensive approach towards the RAP is being taken. He also added that DWR will determine who they will invite for the review.
- Carl Morrison reiterated that the Bay Area IRWMP region should continue outreach efforts with Tomales Bay, East County and Solano County and work towards solidifying the relationship before the RAP review with DWR.
- Paul Helliker indicated that this is in progress, but the focus would still be on the definition of the RAP. He suggested that the PnP continue finalizing the subregional process expeditiously. He also questioned if the PnP had time to develop project prioritization. Previously, projects were submitted to the IRWMP website and evaluated using the matrix (with qualitative and/or quantitative scores) in the IRWMP.
- Melanie Denninger indicated that the description of the subregion / local project selection process should be included in the RAP by late January, and be ready for a dry run review with Norm Shopay from the DWR..
- Paul Helliker asked for the Functional Area representatives to review and internally discuss the Funding Allocation Options and to prepare for a consensus decision in the next CC meeting.

Project Ranking and Preparation of Grant Proposals

- a. Paul Helliker announced that the FAs should begin compiling projects in preparation for grant proposals and decide which projects to propose for the expedited round of funding (up to \$46 million available). He also noted the following:
 - Grant proposals may be prepared based on the language in SBxx1.

- The project addition process and decision-making process needs to be finalized.
 - Project proposals will have to be reviewed by the CC for the expedited round.
- b. The FAs reported on their current meeting status:
- FP-SW FA will meet as soon as possible.
 - Watershed FA has not been meeting
 - WS-WQ FA has been meeting, but has not gone very far in terms of identifying projects.
 - WW-RW – no update.
- c. Jennifer Clary noted that she submitted several comments/suggestions with regards to project prioritization (especially on DACs) and she would like the CC to review and reconsider the comments/suggestions.

Action Items:

- 1) PnP to circulate Process for Adding Projects to IRWMP developed a year ago to CC for discussion at the next CC meeting.
- 2) PnP to update chart of Funding Allocation Options with 50-50 area-population allocation.
- 3) RMC to finalize CC Decision-making Process documentation.
- 4) FA's to discuss internally and prepare for consensus decision on Funding Allocation Options.
- 5) CC to provide feedback question to DWR on whether separate or combined applications are required for Prop 1E and Prop 84, and the rationale for their approach – *Carl Morrison confirmed post-CC meeting with Maria Pang (DWR) that even though there will be just 1 PSP, there will be only 1 application from a region for funding under both Prop 84 and Prop 1E - CC may still want to comment on this approach.*

5. Agenda Items and Details for the next IRWMP CC Meeting

- PnP Process for Adding Projects to IRWMP
- Funding Allocation Approaches (Discussion and Consensus Decision)
- Other updates from PnP meeting on December 1, 2008.

The next CC meeting is scheduled for Monday, December 15, 2008, from 1:00 pm – 3:00 pm in **Room 10** of the Elihu Harris State Building

Attachments:

A. Summary of “Takeaways” by Carl Morrison from the November 19 DWR Information Workshop on IRWM/SWFM Grants and Region Acceptance Process.

B. Email from Tracy Hemmeter on Santa Cruz IRWM Non-Profit that manages Northern Santa Cruz's IRWM Implementation Grant.

DWR Prop 84/1E Workshop Takeaways
Carl Morrison
November 21, 2008

These are just a few “takeaways” from the November 19 *DWR Information Workshop on IRWM/SWFM Grants and Region Acceptance Process*. Slides and other handouts may be found at http://www.grantsloans.water.ca.gov/grants/irwm/integregio_general.cfm.

1. There will be just one PSP for Prop 84 and Prop 1E.
2. There are no planning grants this first cycle. Not only does DWR not have the staff to manage parallel-track grants, but the funds appropriated are to be expedited for drought relief. Drought relief and DACs are given preference for the entire Prop 84 funding, not just the \$20 million and \$10 million respective earmarks.
3. With respect to planning grants, it has yet to be determined if a region without any plan will get a preference over a region that needs to update its plan.
4. Watersheds that drain to the San Francisco Bay for the \$20 million for Urban Stream-SWFM in Prop 1E now include the Sacramento and San Joaquin watersheds (because they flow to the Bay). These Prop 1E funds, as well as the \$5.5 million for General SWFM in the state, must be used to reduce flood damage.
5. An interesting issue regarding the RAP will be whether DWR considers the CC a “regional water management group.” This, of course, gets to the questions of governance, etc. brought up at the workshop.
6. Once a region has “passed” the RAP, it will be good for all the cycles of Prop 84 grants.
7. There will not be time to “negotiate” and go back and forth on the RAP. There will be an opportunity to fix minor issues after the RAP submittal and interview, but no time for major changes.
8. DWR will say who they want to attend the RAP interview. This is especially the case if there are conflicts in the region.
9. A “developing” region can go through the RAP.
10. There will “conditional approval” if not all of the criteria are developed.
11. DWR could make recommendations for consolidating regions.
12. The IRWM process cannot have “pay to play” when it comes to NGOs and other stakeholders.

13. If there is only one region in a funding area, and thus just one application for a Prop 84 grant, the grant cap is 1/9 of the FA allotment, not 1/3 as would be the cap for the FA if there were more than one region applying in the FA. For the Bay area the grant cap is \$15,333,333. The 1/3 FA cap is \$46 million.
14. Because the state may direct some funds to the stimulus package, the cap for a Prop 1E grant could fall below the planned \$30 million per project.
15. A grant recipient need not be a signatory to CUWCC, but it must be in compliance with the BMPs (AB 1420). Agencies that have not demonstrated AB 1420 compliance to CUWCC or DWR should do so ASAP because of the 120 days DWR has to respond.
16. Cost share for Prop 84 grants will be 25%. It will be 50% for Prop 1E grants.

From: Tracy Hemmeter <themmeter@valleywater.org>
To: 'Thomasin Grim' <tgrim@marinwater.org>
Date: 12/2/2008 9:52 AM
Subject: Santa Cruz IRWM Non-Profit

Here's a link to the non-profit that manages Northern Santa Cruz's IRWM implementation grant. I just looked at the Prop 84 SBxx1 and I don't see anything that would change the feasibility of this approach.

<http://www.cfsc.org/RWMF.cfm>